

NORTH HERTFORDSHIRE DISTRICT COUNCIL



11 March 2022

Our Ref Cabinet/22 March 2022
Contact. Committee Services
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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, GERNON
ROAD, LETCHWORTH**

on

TUESDAY, 22ND MARCH, 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 - 25 JANUARY 2022 To take as read and approve as a true record the minutes of the meeting of the Committee held on the 25 January 2022	(Pages 5 - 10)
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.	

Declarations of Interest

Members are reminded that any declarations of interest in respect of any business set out in the agenda, should be declared as either a Disclosable Pecuniary Interest or Declarable Interest and are required to notify the Chair of the nature of any interest declared at the commencement of the relevant item on the agenda. Members declaring a Disclosable Pecuniary Interest must withdraw from the meeting for the duration of the item. Members declaring a Declarable Interest, wishing to exercise a 'Councillor Speaking Right', must declare this at the same time as the interest, move to the public area before speaking to the item and then must leave the room before the debate and vote.

5. PUBLIC PARTICIPATION

To receive petitions, comments and questions from the public.

6. ITEMS REFERRED FROM OTHER COMMITTEES

One referral from the Hitchin Area Committee on 1 March 2022 is enclosed.

(Pages
11 - 12)

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

7. PERFORMANCE MANAGEMENT MEASURES 22-23 - COUNCIL DELIVERY PLAN

REPORT OF THE SERVICE DIRECTOR – RESOURCES

(Pages
13 - 34)

A report setting out the Performance Management Measures to support delivery of the Council Plan 22-27.

8. THIRD QUARTER INVESTMENT STRATEGY (CAPITAL AND TREASURY) REVIEW 2021/22

REPORT OF THE SERVICE DIRECTOR – RESOURCES

(Pages
35 - 66)

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

9. THIRD QUARTER REVENUE MONITORING 2021/22

REPORT OF THE SERVICE DIRECTOR – RESOURCES

(Pages
67 - 78)

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

10. GREENSPACE MANAGEMENT STRATEGY 2022-27

REPORT OF THE SERVICE MANAGER – GREENSPACE

(Pages
79 - 124)

To agree the proposed Greenspace Management Strategy (GSMS) 2022 – 2027 as the basis for the Council's future strategic approach to maintaining the Greenspace provision in North Herts.

- 11. KNEBWORTH NEIGHBOURHOOD PLAN** (Pages
REPORT OF THE SERVICE DIRECTOR – REGULATORY 125 -
150)
- To consider the examiner's report and the proposed modifications to the Knebworth Parish Neighbourhood Plan and to agree that officers make arrangements to conduct a referendum within the Knebworth designation neighbourhood planning area.
- 12. SHARED WASTE SERVICE GOVERNANCE** (Pages
REPORT OF THE SHARED SERVICE MANAGER – WASTE 151 -
MANAGEMENT 164)
- The shared client team for Waste Services has been in operation with oversight from the Joint Partnership Board for Waste since December 2017. This report identifies options around governance of the shared service to support future partnership working and service resilience.
- 13. STRATEGIC PLANNING MATTERS** (Pages
REPORT OF THE SERVICE DIRECTOR – REGULATORY 165 -
182)
- This report identifies the latest position on key planning and transport issues affecting the District.

Public Document Pack Agenda Item 2

NORTH HERTFORDSHIRE DISTRICT COUNCIL

CABINET

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

ON TUESDAY, 25TH JANUARY, 2022 AT 7.30 PM

MINUTES

Present: *Councillors: Elizabeth Dennis-Harburg (Chair), Ruth Brown (Vice-Chair), Ian Albert, Judi Billing and Steve Jarvis.*

In Attendance: *Anthony Roche (Managing Director), Jeanette Thompson (Service Director – Legal and Community), Ian Couper (Service Director – Resources), Nurainatta Katevu (Legal Regulatory Team Manager and Deputy Monitoring Officer), James Lovegrove (Committee, Member and Scrutiny Officer) and Louis Mutter (Committee, Member and Scrutiny Officer)*

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

64 APOLOGIES FOR ABSENCE

Audio recording – 2 minutes 41 seconds

Apologies for absence were received from Councillors Amy Allen, Sam Collins and Gary Grindal.

65 MINUTES - 21 DECEMBER 2021

Audio recording – 2 minutes 55 seconds

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

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

66 NOTIFICATION OF OTHER BUSINESS

Audio recording – 3 minutes 36 seconds

There was no other business notified.

67 CHAIR'S ANNOUNCEMENTS

Audio recording – 3 minutes 46 seconds

(1) The Chair advised that the meeting was being audio and video recorded, in line with Council policy.

(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.

68 PUBLIC PARTICIPATION

Audio recording – 4 minutes 31 seconds

There was no public participation at this meeting.

69 ITEMS REFERRED FROM OTHER COMMITTEES

Audio recording – 4 minutes 34 seconds

6a. Referral from Overview and Scrutiny Committee – 14 December 2021 – Commercial Update

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

6b. Referral from Overview and Scrutiny Committee – 14 December 2021 – Commercial Update

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

6c. Referral from Finance, Audit and Risk Committee - 17 January 2022 – Revenue Budget 2022/23

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

6d. Referral from Finance, Audit and Risk Committee – 17 January 2022 – Investment Strategy (Integrated Capital and Treasury)

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

6e. Referral from Overview and Scrutiny Committee – 14 December 2022 – Q2 Performance Indicators

The Chair noted that Councillor David Levett, as Chair of the Overview and Scrutiny Committee, was not in attendance to present to Members. The Chair advised Members that she had received confirmation that Councillor Levett was satisfied with responses received prior to the meeting and that these can be conveyed back to the Overview and Scrutiny Committee.

70 CORPORATE ENFORCEMENT POLICY UPDATE

Audio recording – 6 minutes 08 seconds

Councillor Elizabeth Dennis-Harburg presented the report entitled Corporate Enforcement Policy Update and updated Members including the following:

- This was last update in December 2018 and needed to be updated following new legislative and enforcement developments.
- Paragraph 8.4 highlighted the changes that had been made to the policy.

- There had been a slight change to parking enforcement and this was shown in Appendix F of the report.

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

RESOLVED: That Cabinet approved the amended Policy contained at Appendix A (supplied as a supplementary document).

REASON FOR DECISION: To bring the Council's Corporate Enforcement Policy up to date.

71 INVESTMENT STRATEGY (INTEGRATED CAPITAL AND TREASURY)

Audio recording – 8 minutes 05 seconds

Councillor Ian Albert, the Executive Member for Finance and IT, presented the report entitled Investment Strategy (Integrated Capital and Treasury) and highlighted:

- There had been a question at Finance, Audit and Risk regarding capitalisation of bin purchases and advised this was being looked into but that it was best to be cautious over the uncertainty of ownership of assets.
- Since the budget meeting in December the Council had become aware that the sauna facility at North Herts Leisure Centre had been closed due to Health and Safety concerns.
- The replacement of this facility was currently in the capital programme for 2023/24 at £250k.
- Following discussions with Stevenage Leisure Limited, work was carried out to look at reducing the size of the sauna, which would free up space for other activities. This would reduce the capital bid to £150k.
- Recommended to reduce the amount budgeted for these works and also bring it forward to the 2022/23 capital programme so work can be progressed as soon as possible.
- The proposals meant that the Council would require to borrow from 2025/26 and the report details a Borrowing and Minimum Revenue Provision policy.

Councillor Steve Jarvis agreed with the processes and steps outlined by the Executive Member. He noted that attendance figures from leisure facilities had been positive up to December 2021 and that getting this work carried out as soon as possible would ensure users did not go elsewhere.

Councillor Ian Albert proposed and Councillor Ruth Brown seconded and, following a vote, it was:

RESOLVED: That the capital allocation for the North Herts Leisure Centre: Sauna Steam Refurbishment be reduced to £150k and brought forward to 2022/23 in the draft budget report to Council in February.

RECOMMENDED TO COUNCIL:

- (1) That Council adopt the Investment Strategy (as attached at Appendix), including the capital programme and prudential indicators.
- (2) That Council adopt of four clauses in relation to the Code of Practice on Treasury Management (as details in paragraphs 8.12 to 8.17).
- (3) That Council approve bringing forward the £150k capital allocation for North Herts Leisure Centre: Sauna Steam Refurbishment forward in to 2021/22.

REASONS FOR RECOMMENDATIONS:

- (1) To ensure that the capital programme meets the Council's objective and officers can plan the implementation of the approved schemes.
- (2) To ensure the Council's compliance with CIPFA's code of practice on Treasury Management, the Local Government Act 2003, statutory guidance from the 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.

72 REVENUE BUDGET 2022/23

Audio recording – 14 minutes 18 seconds

Councillor Ian Albert, Executive Member for Finance and IT, presented the report entitled Revenue Budget 2022/23 and gave an update including:

- There had been no specific questions or points from Finance, Audit and Risk Committee referral which had not been addressed at the Committee.
- Medium term funding remains uncertain, but hopeful this will become more certain in the early part of this year.
- Based on current forecasts around £1.5 million of additional net savings will need to be found, but this budget makes significant progress in setting the base of these savings.
- Budget allowance for 2022/23 and 2023/34 had included funds for dealing with the impact of Covid without government support and this could total £2.5 million across the two years.
- CIPFA resilience index had been circulated to Chief Financial Officers and a public version would be available shortly. The Service Director – Resources had advised that there was nothing included which would affect the current estimates in the report. An addendum to the Council report would be provided to include the details of this.
- This administration had stood up for change and this budget would help deliver a progressive Council plan, vital services and Climate Change agenda.
- This budget will help to protect services, such as swimming pools, which had been impacted by Covid.
- Council Tax increase would not be preferred, but it is needed following the lack of government support and the proposed rise is less than those proposed by Herts County Council and the Herts Police and Crime Commissioner.

Councillor Steve Jarvis noted that it was promised at Council that the petition regarding outdoor pools would be considered at this Cabinet meeting.

Councillor Ian Albert advised that he was looking to consider the arguments made by the petitioner and that it would be sensible for him and Cllr Jarvis to progress further discussions with officers. There was unfortunately not enough time to produce something for this Cabinet meeting, but would try to produce something for the budget meeting in February.

Councillor Jarvis advised that he was happy to progress in this way and that impact assessments would need to be carried out and budgets explored to see what was possible.

Councillor Ian Albert proposed and Councillor Ruth Brown seconded and, following a vote, it was:

RESOLVED: That Cabinet approved the decrease in the 2021/22 working budget of £111k, as detailed in Table 5.

RECOMMENDED TO COUNCIL:

- (1) That Council note the position on the Collection Fund and how it will be funded.

- (2) That Council note the position relating to the General Fund balance and that due to the risks identified a minimum balance of £3.05 million is recommended.
- (3) That Council approves the savings and investments as detailed in Appendix B.
- (4) That Council approves a net expenditure budget of £18.123m, as detailed in Appendix C.
- (5) That Council approves a Council Tax increase of £5 on 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%.

REASON FOR RECOMMENDATIONS: 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.

73 EXCLUSION OF PRESS AND PUBLIC

Audio recording – 22 minutes 40 seconds

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

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

74 COMMERCIAL UPDATE

Councillor Ian Albert presented the report entitled Commercial Update.

The following Members took part in the debate:

- Councillor Ruth Brown
- Councillor Judi Billing
- Councillor Steve Jarvis

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

RESOLVED: That Cabinet notes the Overview and Scrutiny Committee's concerns and confirms that the issues raised by the Committee have been considered.

The meeting closed at 8.12 pm

Chair

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REFERRAL FROM HITCHIN AREA COMMITTEE: POTENTIAL TOWN TWINNING – AYENSUAKO, GHANA

RECOMMENDED TO CABINET:

To authorise further work to be done involving Members, Officers, the local community and the Hitchin Town Twinning Association.

REASON FOR RECOMMENDATIONS:

To explore the possibility of twinning Hitchin Town with Ayensuako, Ghana.

A verbal presentation was given by Joanne Wearne of Humanitas and Tommy Eaton of Bambuu Brush on a new potential town twinning opportunity with Ayensuako, Ghana and drew attention to the following points:

- Humanitas' office is in Hitchin.
- Humanitas is a charity which has been operating for 21 years, It exists to give access to the world's most vulnerable and impoverished children healthcare.
- Have a strong relationship with The Comet;
- Majority of funding comes from loyal local communities;
- The charity runs projects in Romania and Ghana;
- Humanitas operates 2 schools in the town of Aseyuako, Ghana; a primary school and high school with 280 students.

The Chair thanked the two members of public for their presentation.

In response to a question from Councillor Keith Hoskins, Joanne Wearne advised that the school had only closed for three weeks during the pandemic. The school did not have access to hand washing facilities however.

The Chair invited David Leal-Bennett, Hitchin Town Twinning Association, to give a verbal presentation. In his presentation the following points were made:

- Post-war town-twinning was very popular; twinning with towns in France and Germany has worked very well, facilitating exchanges between the areas;
- Over the past 15-20 years the demographic has changed; very few youngsters coming into the town twinning association;
- Will need to discuss with patrons and progress discussions through the Association.

The following Members asked questions:

- Councillor Simon Harwood
- Councillor Judi Billing
- Councillor Elizabeth Dennis-Harburg
- Councillor Val Bryant

In response to questions from Members, David Leal-Bennett and Joanne Wearne advised:

- Humanitas want to be part of reenergising the Town Twinning Association;
- All Humanitas fundraising is done in the UK. 88p of every £1 goes to the projects;

In response to a question from Councillor Judi Billing, the Chair advised that: Formally speaking it is for the Council and relevant committees to decide about twinning arrangements. If the Twinning Association was against the idea it could lead to two separate associations, however the Council and the Town Twinning Association want to proceed together.

It was:

RESOLVED: That the Hitchin Committee notes and welcomes the presentation on establishing a new Twinning arrangement with the community of Ayensuako in Ghana.

RECOMMENDED TO CABINET: To authorise further work to be done involving Members, Officers, the local community and the Hitchin Town Twinning Association.

RESOLVED: That the Hitchin Committee agrees to discuss the outcome of this work and any formal proposal for the adoption of a new twinning at its first meeting of the civic year in June.

The reports considered by the Committee can be found at Item 9 here: [Agenda for Hitchin Committee on Tuesday, 1st March, 2022, 7.30 pm - North Herts Council \(north-herts.gov.uk\)](#)

**CABINET
22 MARCH 2022**

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: COUNCIL DELIVERY PLAN FOR 22-23

REPORT OF: REPORT OF THE SERVICE DIRECTOR - RESOURCES

EXECUTIVE MEMBER: LEADER OF THE COUNCIL

COUNCIL PRIORITY: PEOPLE FIRST, SUSTAINABILITY, A BRIGHTER FUTURE TOGETHER

1. EXECUTIVE SUMMARY

This report presents the Council Delivery Plan for 22-23, which includes

- The setting of key Council projects
- The identification of risks relating to delivery of the projects and
- The setting of Performance Indicators (PIs) to measure progress

2. RECOMMENDATIONS

- 2.1. That Cabinet considers and formally approves the Council Delivery Plan and any associated targets, to be monitored throughout 2022/2023 by Overview & Scrutiny Committee.

3. REASONS FOR RECOMMENDATIONS

- 3.1. An approved Council Delivery Plan provides the Cabinet with assurance that progress against achievement of the Council Plan objectives, will be monitored throughout 2022/23.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. None Considered.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1. The Council Delivery Plan was compiled in consultation with Executive Members who were consulted on the elements relating to their area of responsibility.

- 5.2. The Plan is reviewed by Overview and Scrutiny Committee and Finance Audit and Risk Committee, who can make recommendations to Cabinet.

6. FORWARD PLAN

- 6.1 This report contains a recommendation on a key Executive decision first notified on the Forward Plan on the 14 January 2022.

7. BACKGROUND

- 7.1. In December 2021, Cabinet reviewed the proposal to introduce an integrated Performance Management Framework for 22-23 onwards. The proposal was approved.
- 7.2. Previously, only Performance Indicators were approved by Cabinet with no clear link to projects being undertaken or the risks being managed within the Service areas.
- 7.3. The new approach requires Cabinet approval for the projects, risks, and performance indicators to support the delivery of the Council Plan.

8. RELEVANT CONSIDERATIONS

- 8.1 The Council Delivery Plan (Appendix A), has been compiled by the Leadership Team, in consultation with Executive Members and brings together all the elements of Integrated Performance Management (Projects, Risks and Performance indicators) into one plan.
- 8.2 The Projects outlined in the Delivery Plan are detailed in the Council Plan 2022-27, or clearly linked to the Council Plan priorities and themes. The Council will also carry out other projects, that are linked to a statutory duty or support the delivery of Council functions. These other projects have been included if they are significant in terms of impact (e.g., in relation to staff or financial resources), but the focus is on what contributes towards delivering the Council Plan. For longer term projects, milestones will be used to monitor progress achieved during the year.
- 8.3 The Risks, are those that could impact on the delivery of the Council Plan or the Projects linked to the Council Plan. They include the level of likelihood and impact, and the mitigations to be put in place to minimise the level or risk.
- 8.4 The Performance Indicators will be the means to show us how well we are doing at achieving the priorities within the Council Plan, including measures linked to the projects detailed above.
- 8.5 The existing Risk and Performance Indicator entries on Pentana (the Council's Risk and Performance Monitoring software), have been cross referenced to the Council Delivery Plan and matched where appropriate. Any entries which do not match, will no longer be included in the Committee reports, but will be monitored by Service areas. These entries are detailed in Appendix B.

- 8.6 Once approved, the Council Delivery Plan will form the basis of quarterly reporting to Overview and Scrutiny to monitor Performance for the 2022-23 year. It is expected that they will make recommendations to Cabinet throughout the year.
- 8.7 Finance Audit and Risk Committee will no longer receive regular reports on specific risks but will receive reports in relation to the effective development and operation of risk management. They have been given the opportunity to comment on the Plan at the formulation stage.
- 8.8 As this is the first year of operation of this new way of considering integrated performance, the approach may need to evolve during the year. Overview and Scrutiny and Cabinet will be able to consider any changes as part of the quarterly review reports.

9. LEGAL IMPLICATIONS

- 9.1 The constitution determines the role of Cabinet as including: “To take decisions on resources and priorities, together with other stakeholders and partners in the local community, to deliver and implement the budget and policies decided by the Full Council. To monitor performance and risk in respect of the delivery of those policies and priorities” (paragraph 5.6.3) .
- 9.2 The constitution determines the role of Overview and Scrutiny as including: “To review performance against the Council's agreed objectives/ priorities and scrutinise the performance of the Council in relation to its policy objectives, performance targets and/ or service area. To consider risks to the achievement of those objectives/ priorities. To make recommendations to Cabinet” (paragraph 6.2.7 (s)).
- 9.3 The constitution determines the role of Finance, Audit and Risk Committee as including: “to monitor the effective development and operation of risk management and corporate governance, agree actions (where appropriate) and make recommendations to Cabinet” (paragraph 10.1.5 (u)).

10. FINANCIAL IMPLICATIONS

- 10.1 There are no direct financial implications arising from this report. Where efficiencies or investments may make a difference to service levels these are indicated in the budget proposals so they can be taken into consideration when considering the budget for the forthcoming year.

11. RISK IMPLICATIONS

- 11.1 The Council Delivery Plan aims to support the risk management process by directly linking the risks to projects being undertaken. The aim of these proposals is to strengthen the link between performance and risk and make risks more current. This should provide an improved perspective of the risks that the Council faces. It also enables Service Managers to get value from the risk monitoring process as a useful component of service management.

12. EQUALITIES IMPLICATIONS

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

12.2 Performance reporting provides a means to monitor whether the Council is meeting the stated outcomes of the district priorities, its targets or delivering accessible and appropriated services to the Community to meet different people's needs.

13. SOCIAL VALUE IMPLICATIONS

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

14. HUMAN RESOURCE IMPLICATIONS

14.1 There will continue to be a need to align Council and Service objectives with available people resources to be able to achieve them. The Council Delivery Plan will help to make that link clearer.

15. ENVIRONMENTAL IMPLICATIONS

15.1 There are no known Environmental impacts or requirements that apply to this report. However, a number of the projects to be monitored throughout the year are related to key environmental issues.

16. APPENDICES

Appendix A – Council Delivery Plan 22-23

Appendix B – List of Risks and PIs not reported for 22-23

17. CONTACT OFFICERS

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20. BACKGROUND PAPERS

None

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Risk Level – Low (1-3)	
Risk Level – Medium (4-6)	
Risk Level – High (7-9)	

Projects			Linked Risks				Linked Performance Indicators	
Description and milestones	Due Dates in 2022/23	Main Council Plan priority	Description	Current Risk level	Risk Mitigations	Target Risk Level	Description	Target for 22-23
COVID RECOVERY								
Museum/ HTH Recovery - To rebuild visitor numbers at the museum to pre-pandemic levels. - To rebuild interest in hiring Hitchin Town Hall back to pre-pandemic levels. - To rebuild overall income levels at the facility to pre-pandemic levels.	1/7/2022 1/8/2022 31/3/2023	Brighter Future Together	1 - All these milestones carry the risk of new emerging variants or a worsening covid picture; separately, the booking of Hitchin Town Hall and income levels may be impacted by the rising cost of living and the reduced levels of disposable income. 2 - lack of interest in the facilities following extended period of closure and restrictions. 3 - Inability to generate income as well as hoped and to the levels targeted.	5	1 - Increased use of advertising and new website.	1	Museum Visitor numbers HTH Booking enquiries Income generated to be measured through financial monitoring reports.	37,500 400
Tourism Strategy - Appoint Consultants - Review and approve draft strategy	31/7/2022 31/3/2023	Brighter Future Together	1 -Risk of delay in procuring consultants and subsequent delay to production of strategy	1	1 - Ensure specification for procurement is sufficiently robust and written in a timely manner. 2 - Regular meetings to be set up with consultants.	1	n/a in this year	n/a
Business Recovery: Grants Continued promotion of available business support		Brighter Future Together	1 - Lack of Resources available to deliver grant schemes.	1	1 - Utilise additional resources where possible.	1	All grant applications to be processed and paid within	100%

Projects			Linked Risks				Linked Performance Indicators	
Description and milestones	Due Dates in 2022/23	Main Council Plan priority	Description	Current Risk level	Risk Mitigations	Target Risk Level	Description	Target for 22-23
grants and business rate reliefs Complete all Government returns for reconciliation processes	Up to 30/4/2022 31/3/2023				2 - Shadowing within the team to increase resilience		Government stipulated timescales. These differ for each grant type.	
Town Centre Recovery - completion of economic recovery study for the 4 towns - Liaise with HCC and other key stakeholders with regard the experimental traffic orders for town centres - Development of permit scheme for experimental traffic orders, sub-delegate to appropriate body, enforcement to be with NHDC	30/04/2022 ongoing 31/03/2023	Brighter Future Together	1 - Resourcing the project – limited budget available 2 - Town Strategy not yet in place	3	1 - Look for external grants 2 – Planning applications to be taken through masterplanning route	1	Monitored via achievement of project milestones	n/a
Health Inequalities Secure funding from Herts County Council (Public Health) Other milestones dependent on funding achieved.	ASAP	People First	1 – Inability to achieve funding. 2 – Delays in achieving funding affects delivery of outcomes. 3 – Terms of any funding affects what can be delivered.	7	1 - Apply for funding and then determine what is deliverable.	3	Can only be measured on commencement of project. Likely to include: Number of Homes benefitting from 'green grants'. Number of Empty properties brought back in to use.	n/a
Economic Development Strategy - Complete on-going recovery work funded by High Street Recovery Fund - Utilise feedback from recovery work to develop an Economic Development	1/4/2022 1/8/2022	Brighter Future Together	1 – Uncertainty over focus of the strategy. 2 – Determination of level of priority and the funding to be allocated from 2023/24.	5	1 - Develop Strategy options and then seek a steer on desired focus. 2 - Secure resource beyond 22/23 to deliver any strategy	3	To be measured from 2023/24 onwards. Likely to include measures related to job creation and new business start-ups.	n/a

Projects			Linked Risks				Linked Performance Indicators	
Description and milestones	Due Dates in 2022/23	Main Council Plan priority	Description	Current Risk level	Risk Mitigations	Target Risk Level	Description	Target for 22-23
Strategy for the four towns. Consult and develop an Economic Development Strategy for the rural community. Develop budget bid to deliver proposed Economic Development Strategy	1/9/2022							
CLIMATE CHANGE								
Overarching PI- not linked to any one project							Electricity and Gas Energy consumption for all Council managed buildings	2,543,620
Resident/ Public EV Charging in our Car Parks - Identify private sector partner to assist with grant application and to provide 25% of funding not met by grant as well as being responsible for on-going maintenance and future proofing - Establish detailed costings for grant application - Submit grant application to OZEZ for 75% of cost, with private partner providing the remaining 25% Any remaining milestones will be dependent on grant funding awarded.	31/3/2022 31/5/2022 31/7/2022	Sustainability	1 – Not successful in obtaining grant funding. 2 - Unable to identify / procure a private sector partner.	5	1 - Look at alternative methods of delivery e.g., offer land with no Council involvement.	1	Number of charging units. Charging point usage.	TBC, depends on grant awarded
Cycling Network Working with HCC on the production of a draft Local Cycling & Walking Infrastructure Plan	30/6/2022	Sustainability	1 –Resourcing for NHDC and HCC 2- Timing and adoption of LCWIP by HCC transport panel	3	1- Regular communication with HCC	1	Measured through achievement of milestones	n/a

Projects			Linked Risks				Linked Performance Indicators	
Description and milestones	Due Dates in 2022/23	Main Council Plan priority	Description	Current Risk level	Risk Mitigations	Target Risk Level	Description	Target for 22-23
(LCWIP) - for formal consultation Following adoption of LCWIP by Highways Transport Panel will then inform work on NHC cycle strategy Other milestones dependent on LCWIP	30/11/2022		3 – Limits to what can be achieved in this financial year					
EV Charging for Council Vehicles Install 2 charging points in DCO rear car park (charging for 4 vehicles)	31/5/2022	Sustainability	1- Lead-in time from supplier could cause delays 2- number of options available makes it difficult to determine optimal option	5	1 - Analyse available options from suppliers 2 - Award contract with set delivery timeline	1	Miles driven by full electric vehicles (displacement of petrol mileage)	35,000 miles
Royston Leisure Centre Solar Thermal - Design Specification - Complete procurement and appoint Contractor - Meet with contractor to programme schedule of works - Installation of Solar Thermal (due date dependant on project plan from contractor) The final delivery date will differ to the date in the Council Plan. To ensure solar thermal technology was compatible with the existing mechanical and electrical system at RLC specialised consultants were commissioned to carry out a detailed survey which caused a delay to the original project completion date.	31/5/2022 01/8/2022 15/8/2022 31/3/2023	Sustainability	1 - Tender returns over budget 2 - Delays to project plan	5	1 - Regular project meetings to be held with contractor.	5	None for RLC this year, to develop a measure of energy use savings	n/a

Projects			Linked Risks				Linked Performance Indicators	
Description and milestones	Due Dates in 2022/23	Main Council Plan priority	Description	Current Risk level	Risk Mitigations	Target Risk Level	Description	Target for 22-23
TOWN CENTRES								
Town Centre Strategies - Consultants appointed to prepare High Level Town centre Recovery Action Plans for each town centre - Once completed a scoping report will be prepared to agree overall project and governance arrangements for progression of Town Centre Strategies - Commencement of work on Letchworth Town Centre Strategy, details TBC following outcome of milestone above.	30/4/2022 30/6/2022	Sustainability	1 – Lack of available resource to produce and deliver identified strategies	5	1 - Ensure resource is available to deliver Strategies. 2 – Look for external funding 3 – Take applications through masterplanning process.	1	Achievement of project milestones	n/a
Finalise Pay on Exit Parking Review - Consultants appointed to produce Feasibility Study to be reported to Exec Member & Deputy - Recommendations to be reported to Cabinet to agree Next Steps Milestone above to determine further milestones.	31/7/2022 30/9/2022	Brighter Future Together	1 – Budget implications of selected scheme	1	1 – Produce detailed business case and go through approval process 2- Retain / replace existing machines and software	1	Future indicator to be monitored from 23/24- Car park usage	n/a
Replacement of Royston Town Hall Annexe (project will span more than 1 year) - Ascertain, acquire, and address rights & restrictions on the site - Market test site for leasing & sale on non-committal basis. Undertake options	30/11/2022 31/10/2022	People First	1 - Cost and time in acquiring rights or addressing restrictions are prohibitive. 2 - Planning permission refused or subject to unviable conditions. 3 - Desire to retain partial community use impinges on viability. 4 - Build cost inflation impinges on viability.	5	1 - Proactive and frequent discussion with key site stakeholders. 2 - Engage reputable local & national agents to garner wide audience for marketing and generate maximum interest. 3 - Frequent communication with	2	Range, number & geographical spread of expressions of interest. Future indicator relating to rental/ capital value.	n/a n/a

Projects			Linked Risks				Linked Performance Indicators	
Description and milestones	Due Dates in 2022/23	Main Council Plan priority	Description	Current Risk level	Risk Mitigations	Target Risk Level	Description	Target for 22-23
appraisal. Seek Cabinet decision. Other actions relating to planning and completing a lease will be in 2023/24 onwards. The timetable shows a slight delay compared to the Council Plan					Town & NHDC Ward Councillors. 4 - Consider adopting modern methods of construction.			
IMPROVING HOW CUSTOMERS ACCESS OUR SERVICES								
Customer Portal - Researching options for development of My Account - Transformation programme considers options for development - Implementation of agreed options	31/3/2022 31/5/2022 31/3/2023	People First	1 - Additional modules are not forthcoming	5	1 - Link to transformation programme and use of Tquila to develop ideas utilise suppliers experience with other Councils	5	Future PI to be monitored - Increase in sign- ups for My Account (currently just under 4000)	n/a
Help residents make payments at convenient locations - Complete procurement and appoint supplier - obtain IIN number and update documentation - Send test file and payment - Go live and Communication	31/3/2022 31/8/2022 31/10/2022 30/11/2022	People First	1 -resourcing issues delay progress 2 - unexpected costs affect viability of business case 3 - residents fail to use the service provided	5	1 - Set up regular project meetings to advance project 2 - Options allow for phased implementation if costs are an issue 3 - Communication plan to be drawn up	3	Percentage of payments collected by electronic methods Percentage of Council Tax collected in year Percentage of NNDR collected in year Percentage of Sales Ledger income collected in year	99.3% 95% 93% 97%
Supplier self-service - Explore available options in the market and determine cost/ viability - Procure system and set up project team - Portal set up and testing - Go live and Communication	31/8/2022 31/12/2022 28/2/2023 31/3/2023	People First	1 - failure to find viable solution 2 - resource issues delay progress 3 - suppliers do not submit invoices via the portal, fail to achieve efficiencies 4 - data security issues	5	1 - Carry out data impact assessment 2 - Set up regular project meetings to advance project 3 - Communication plan to make suppliers aware of benefits	3	% of invoices imported through the portal	0% for 22-23 / target will be 60% by end of 23/24

Projects			Linked Risks				Linked Performance Indicators	
Description and milestones	Due Dates in 2022/23	Main Council Plan priority	Description	Current Risk level	Risk Mitigations	Target Risk Level	Description	Target for 22-23
IMPROVING THE SUPPLY AND TYPES OF HOUSING ACROSS THE DISTRICT								
Empty Homes Strategy - Development of strategy and resources. - Adoption of Strategy - Implementation of Strategy	31/5/2022 31/7/2022 1/9/2022	Sustainability	1 – Resourcing further actions following adoption of the strategy 2 – Availability of empty homes that we can take forward under the strategy 3 – Cost to council of maintaining empty properties 4 – Potential reputational risk	4	1 – Funding bids for additional resource – (linked to health inequalities) 2 – Charge over property where possible to recover costs	3	Future indicator to be monitored - Empty homeowners engaged to return to occupancy	n/a
New Ways of delivering housing on Council land - Determine a way forward/ Partnership agreement with current provider and start to consider other options for delivery. - If unsuccessful, prepare a tender exercise based on the 4 plots of land already determined. - Select supplier and move forward into the planning and delivery phase. Obtain relevant approval. - Move to construction phase.	31/3/2022 01/07/2022 01/09/2022 01/12/2022	Brighter Future Together	1 - Being able to develop a viable project. 2 - Housing development subject to planning. 3 - Working with the right supplier for the Council. 4 - Demand to provide more homes across the District.	5	1 - Work closely with the Finance team and selected supplier to try to develop a viable project. Factor in borrowing costs. 2 - Work closely with relevant service areas and selected supplier to ensure the proposed developments are in line with expectations. 3 - Work with the Procurement and Legal team to run a successful tender that will allow us to work with the right supplier. 4 - Align relevant policies and company values when selecting supplier.	5	Future indicators relating to number of homes delivered and income (revenue and/or capital) achieved.	n/a
Work with stakeholders to increase accommodation for single homeless people	All tbc	People First	1 - An excessive demand from the public for housing services.	8	1 - Dedicated homelessness	5	Usage of Hotel and B&B accommodation	n/a data only

Projects			Linked Risks				Linked Performance Indicators	
Description and milestones	Due Dates in 2022/23	Main Council Plan priority	Description	Current Risk level	Risk Mitigations	Target Risk Level	Description	Target for 22-23
- Work with Haven First to secure development of hostel accommodation in Letchworth - Work with other partners to secure accommodation for those with specific support needs - Work with Partners to secure general accommodation for homeless people - Application and utilisation of grant funding to secure specialist provision e.g., rough sleeper outreach worker.			2 - A lack of alternative housing options. 3 - An increase in the levels of homelessness. 4 - An increased use of hotel accommodation for homeless households 5 - Major difficulties for some members of the public to access the private rented sector 6 – High levels of support for some clients		accommodation for single persons 2 – Obtain grant funding to facilitate new sites and support mechanisms			
Local Plan Implementation - Receipt of Inspectors letter - Adoption of Plan by Full Council	Milestones to follow - All dependent on first milestone, which is not in our control	Brighter Future Together	1 - Delay in inspectors report on the new Local Plan, resulting in a longer period without appropriate guidance 2 - Increased uncertainty of planning policy base 3 – Delay or failure to adoption / implementation of the new local plan 4- Legal challenge to Local Plan 5 - Intervention by the Secretary of State, i.e., issuing a holding direction 6 – ‘Hostile’ applications in areas not designated within the Local Plan	9	1 - Ongoing advice sought from PAS, Counsel and DLUC 2 - Regular Project Board meetings 3 - Ongoing recruitment to vacant Planning Officer posts	5	N/a	n/a
Master Planning Liaise with developers and identify the Council's expectations with regard master planning	All tbc	Brighter Future Together	1 – Failure to secure funding to resource the process 2 – Inspector's report modifies master planning policy	5	1 - Inspector's report recommending modifications 2 - Adoption of Local Plan by Full Council	3	N/a	n/a

Projects			Linked Risks				Linked Performance Indicators	
Description and milestones	Due Dates in 2022/23	Main Council Plan priority	Description	Current Risk level	Risk Mitigations	Target Risk Level	Description	Target for 22-23
- Secure funding for master planning through the development of Planning Performance Agreements to seek to cover NHDC and HCC costs as far as is practicable - Present master plans to Project Board for comment and support to forward onto Full Council or Planning Committee as appropriate for approval			3 – non adoption of the Local Plan 4 – reduction in pre-application income and delay to income from planning applications		3 – Secure funding for resources through Planning Performance Agreements			
FINANCIAL SUSTAINABILITY								
Financial Sustainability/ balancing our budget - Respond to expected consultation on funding reform - Medium Term Financial Strategy (aligned to Council Plan) approved by Council - Budget for 2023/34 approved by Council	31/7/2022 30/9/2022 28/2/2023	Sustainability	1- funding reductions as a result of new funding formula 2- loss of sales, fees, and charges income due to continuing impact of COVID-19 3- not able to make the required decisions to deliver budget savings required 4- increases in costs (reductions in income) when contracts are renewed and as a result of inflationary increases	9	1 - Revise funding projections as a result of formula changes MTFS sets out a strategy for addressing funding gaps, including how difficult service funding decisions will need to be made 2 - Regular budget monitoring to highlight any issues (including extent and speed of COVID recovery, and impact of inflation)	5	Budget reporting to FAR and Cabinet-overall variances, plus income performance indicators (including parking tickets purchased , garden waste sign-ups)	n/a
Full review of Council Tax Reduction Scheme - Engage Consultant to support the project - Options appraisals conducted and consultation carried out with public and major preceptors - Reports to Committees, September December, and January	31/03/2022 31/08/2022 31/01/2023	Sustainability	1 - Lack of resources and specific skills to deliver	5	1 - Commission consultant to provide expert support to the project.	3	improvement in administration of applications	n/a

Projects			Linked Risks				Linked Performance Indicators	
Description and milestones	Due Dates in 2022/23	Main Council Plan priority	Description	Current Risk level	Risk Mitigations	Target Risk Level	Description	Target for 22-23
Scheme implemented	31/03/2023							
GOVERNMENT RESOURCES AND WASTE STRATEGY								
Response to Government resources and waste strategy Initial member consultation and service design Actions in relation to new contract and finalising service design will follow in 2023/24 onwards, The final delivery date will differ from the Council Plan. The delay is due to the government having not yet released the outcomes from the consultations on Extended Producer Responsibility, Deposit Return Schemes, and consistency. Officers will progress discussion in Q2 on contract design even if the outcomes are unknown. This will be based on best practice and any anticipated outcomes.	01/8/2022	Sustainability	1 - Delays in confirmation of government strategy or legislation 2 - Protracted decision making 3 - Lack of interest from suppliers 4 - Increased cost uncertainty 5 - Reduced income from chargeable services 6 - Protracted Contract negotiations 7 - Confusion by residents over new services 8 - Reduction in resident satisfaction due to requirements to recycle more etc. 9 - Impact on Council reputation due to difficult service change mobilisation 10 – Failure by Government to honour ‘New Burdens’ doctrine	9	1 - Development of plans and service design based on most likely outcomes, best practice, and financial sustainability. 2 - Regular cross party Member engagement. 3 - Early negotiations with Urbaser and parallel soft market testing.	5	To be developed, as KPIs might change due to government strategy changes Kg Residual waste per household Percentage of household waste sent for reuse, recycling, and composting	350kg 56.50%
GREEN SPACE MANAGEMENT STRATEGY								
Green Space Management Strategy - Installation of interactive play - Wilding Project Other projects (e.g., play area renovations) have not been individually included.	31/8/2022 31/3/2023	People First Sustainability	1 – Tenders received are not within budget.	1	1 - Set up regular project meetings to advance project 2 - Options allow for phased implementation if costs are an issue 3 - Communication plan to be drawn up	1	n/a	n/a

Projects			Linked Risks				Linked Performance Indicators	
Description and milestones	Due Dates in 2022/23	Main Council Plan priority	Description	Current Risk level	Risk Mitigations	Target Risk Level	Description	Target for 22-23
The delivery date for the Interactive play equipment differs to the Council Plan. Project delivery has been delayed due to a number of factors beyond our control. Firstly, this type of play equipment requires a power supply and detailed site surveys had to be undertaken to identify suitable options. We have had to work with UK Network Utilities to install dedicated power provision. These works are now nearing completion which will allow for the required works to be commenced to install the interactive play equipment. Further issues have compounded the delays such as longer than expected supply periods and the impacts of Covid with the contractors' staff being ill after the New Year								
CHARNWOOD HOUSE								
Charnwood House • Exploration of options • Market site for leasing as community hub, on non-committal basis. Undertake options appraisal. Seek Cabinet decision. • Negotiate terms with selected tenant. Seek Cabinet decision. Complete lease.	31/03/2022 31/10/2022 Milestone completion in 2023/24	People First	1 - Covenant restriction on use 2 - Statute restriction on use. 3 - Viability of Listed Building consent conditions 4 - Demand for community hub 5 – Delays due to Asset of Community Value (ACV) listing	5	1 - Proactive and frequent discussion of community hub proposals with covenant beneficiary and local interest groups. 2 - Public communication (possibly including further open days) to market research intricacies of demand for community hub.	1	Future indicator relating to daily visitor numbers as a proportion of seats or floor area available after period of establishment. User feedback.	n/a

Projects			Linked Risks				Linked Performance Indicators	
Description and milestones	Due Dates in 2022/23	Main Council Plan priority	Description	Current Risk level	Risk Mitigations	Target Risk Level	Description	Target for 22-23
Other actions relating to planning and building works will be in 2023/24 onwards.					3 - Selection of architect with verifiable Listed Building experience. Review ACV legislation and timelines.			
MUSEUM STORAGE								
Museum Storage - Finalise Business Case and seek approvals. - Agree the design and submit planning application along with seeking other required permissions. - Meanwhile, the existing bury mead site will be cleared to Hitchin Museum. - Move to construction phase will commence in 23-24 There has been a delay to the project due to sourcing consultants to complete the business case and obtaining indicative pricing from contractors.	30/6/2022 30/9/2022	Brighter Future Together	1 - Funding the project. 2 - Unforeseen issues with the development. 3 - Lower utilisation of the commercial storage opportunity than expected.	5	1 - Approval for the project, along with progress in line with potential grant bid submissions. 2 - Ensuring preliminary reports and surveys are carried out and that the main developer is accepting of certain risks. 3 - Scrutinising Business Plans and consultants reports and ensuring all reasonable due diligence around forecasting and modelling has been carried out.	3	Future indicator relating to uptake of commercial storage.	n/a
LOCAL GOVERNMENT BOUNDARY REVIEW								
Local Government Boundary Review - Provision of any additional information to LGBCE on warding patterns - Consultation on warding patterns by LGBCE with Council, Political Groups & General public	May 2022 18/10/2022 10/1/2023	Brighter Future Together	1 – Failure to meet set deadlines.	3	1 - Continued use of AEA consultant; ensuring that sufficient information and responses to consultation provided to LGBCE. 2 - Continuing use and oversight via Project Board	1	Monitored via achievement of milestones	n/a

Projects			Linked Risks				Linked Performance Indicators	
Description and milestones	Due Dates in 2022/23	Main Council Plan priority	Description	Current Risk level	Risk Mitigations	Target Risk Level	Description	Target for 22-23
Consultation on draft recommendations with Council, Political Groups and General public								

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2021/22 Corporate PIs – will no longer be reported

PI Code	Title	Comments
BV 12a	Working days lost due to short-term sickness absence per FTE employee	More appropriate to monitor as a service/operational indicator
BV 12b	Working days lost due to long-term sickness absence per FTE employee	More appropriate to monitor as a service/operational indicator
REG 3	Percentage of Environmental Health programmed inspections completed	More appropriate to monitor as a service/operational indicator
DC 001a	Number of planning applications taken to appeal due to 'non-determination' within the statutory time period, which were allowed	More appropriate to monitor as a service/operational indicator
DC 002	Number of planning applications where the fee has been refunded due to the application not being determined within 26 weeks	More appropriate to monitor as a service/operational indicator
LI 032a	Number of allowed planning appeal decisions	More appropriate to monitor as a service/operational indicator
MI LI 015	Number of visits to leisure facilities	To incorporate into quarterly financial monitoring and link to the budget impact
PLA 01	Number of collections missed per 100,000 collections of domestic household waste	More appropriate to monitor as a service/operational indicator
PLA 02	Number of reported missed domestic waste collections (valid complaints)	More appropriate to monitor as a service/operational indicator
PLA 03	Total number of domestic waste collections (figures vary according to the number of collection days in the month)	More appropriate to monitor as a service/operational indicator
FW 1	Overall tonnage of food waste collected	Focus on residual and reuse, recycling, and composting tonnages
GW 1	Overall tonnage of garden waste collected	Focus on residual and reuse, recycling, and composting tonnages
REG 1	Rate of homelessness prevention	Focus on use of hotel and B&B accommodation
REG 2	Rate of homelessness relief	Focus on use of hotel and B&B accommodation

2021-22 Corporate Risks – will no longer be reported

Title	Comments
National and Regional Planning Issues	Corporate focus is on Local Plan and Master Planning
Neighbouring Authorities	Corporate focus is on Local Plan and Master Planning
Cyber Risks	Whilst not directly linked to any Council projects, this is a significant and current risk. The impact of a successful cyber-attack would affect the delivery of projects, due to the reliance on IT availability. This will be monitored as a service risk, but with a high level of focus and oversight.
Brexit (EU Transition)	Risk levels have reduced. To monitor residual risks at service level.
Covid-19 - Leisure Management Contracts	To monitor at service level, with the financial impact captured as part of the financial sustainability risk.
Novel Coronavirus (Covid-19) - Recovery	To monitor as part of specific risks and projects (Corporate and Service level).

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CABINET
22 March 2022

***PART 1 – PUBLIC DOCUMENT**

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

REPORT OF: SERVICE DIRECTOR - RESOURCES

EXECUTIVE MEMBER: FINANCE AND I.T.

COUNCIL PRIORITY: ENABLE AN ENTERPRISING AND CO-OPERATIVE ECONOMY

1 EXECUTIVE SUMMARY

- 1.1 To update Cabinet on progress with delivering the capital and treasury strategy for 2021/22, as at the end of December 2021.
- 1.2 To update Cabinet on the impact upon the approved capital programme for 2021/22 – 2031/32. The current estimate is a decrease in spend in 2021/22 of £0.621M and an increase in spend in 2022/23 of £0.821M. The most significant individual changes relate to £0.195M Parking Charging Payments Management System, £0.100M Match Funding for Electric Vehicle Charging and £0.100M Community Facilities Refurbishments. These are being reprofiled into 2022/23.
- 1.3 To inform Cabinet of the Treasury Management activities in the first nine months of 2021/22. The current forecast is that the amount of investment interest expected to be generated during the year is £0.066M. This is an increase of £0.016M on the working estimate reported at 2nd quarter.

2 RECOMMENDATIONS

- 2.1 That Cabinet notes the forecast expenditure of £2.424M in 2021/22 on the capital programme, paragraph 8.3 refers.
- 2.2 That Cabinet approves the adjustments to the capital programme for 2021/22 onwards, as a result of the revised timetable of schemes detailed in table 2 and 3, increasing the estimated spend in 2022/23 by £0.821M.
- 2.3 That Cabinet notes the position of the availability of capital resources, as detailed in table 4 paragraph 8.6 and the requirement to keep the capital programme under review for affordability.
- 2.4 Cabinet is asked to note the position of Treasury Management activity as at the end of December 2021.

3. REASONS FOR RECOMMENDATIONS

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

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Options for capital investment are considered as part of the Corporate Business Planning process.
- 4.2 The primary principles governing the Council's investment criteria are the security of its investments (ensuring that it gets the capital invested back) and liquidity of investments (being able to get the funds back when needed). After this the return (or yield) is then considered, which provides an income source for the Council. In relation to this the Council could take a different view on its appetite for risk, which would be reflected in the Investment Strategy. In general, greater returns can be achieved by taking on greater risk. Once the Strategy has been set for the year, there is limited scope for alternative options as Officers will seek the best return that is in accordance with the Investment Strategy.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 Consultation on the capital expenditure report is not required. Members will be aware that consultation is incorporated into project plans of individual capital schemes as they are progressed.
- 5.2 There are quarterly updates with the Authority's Cash Manager, Tradition and regular meetings with Treasury advisors (Link).

6. FORWARD PLAN

- 6.1 This report contains a recommendation on a key Executive decision that was first notified to the public in the Forward Plan on the 14th January 2022.

7. BACKGROUND

- 7.1 In February 2021, Council approved the Integrated Capital and Treasury Strategy for 2021/22 to 2031/32. To be consistent with the strategy, the monitoring reports for Capital and Treasury are also integrated.
- 7.2 The Medium Term Financial Strategy for 2021 to 2026 confirmed that the Council will seek opportunities to utilise capital funding (including set aside receipts) for 'invest to save' schemes and proposals that generate higher rates of return than standard treasury investments. This is one way the Council will allocate resources to support organisational transformation that will reduce revenue expenditure.

- 7.3 Link Asset Services Ltd were first contracted to provide Treasury advice for the financial year 2012/13 and this arrangement has been extended until 2022/23. The service includes:

- Regular updates on economic and political changes which may impact on the Council's borrowing and investment strategies
- Information on investment counterparty creditworthiness
- Technical updates
- Access to a Technical Advisory Group.

8. RELEVANT CONSIDERATIONS

- 8.1 The Council has £129.0M of capital assets that it currently owns. The Investment Strategy set out the reasons for owning assets that are not for service delivery, including an assessment of Security, Liquidity, Yield and Fair Value. There have been no significant changes in relation to these since the Strategy was set. The main changes will be sales of surplus land for capital receipts as referenced in table 4.

Capital Programme 2021/22

- 8.2 The full capital programme is detailed in Appendix A and shows the revised costs to date, together with the expected spend from 2021/22 to 2031/32 and the funding source for each capital scheme.
- 8.3 Capital expenditure for 2021/22 is estimated to be **£2.424M**. This is a reduction of **£0.621M** on the forecast in the 2nd quarter report (reported to Cabinet on 21st December 2021). The decrease in spend in 2021/22 is largely due to reprofiling of projects into 2022/23. Table 1 below details changes to capital programme.

Table 1- Current Capital Estimates

	2021/22 £M	2022/23 £M	2023/24 to 2031/32 £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	-0.224	0.312	0

	2021/22 £M	2022/23 £M	2023/24 to 2031/32 £M
Executive Member – Finance and I.T. approved additional Expenditure on Careline Servers	0.015	0	0
Changes at Q2	-13.139	-2.661	-8.000
Full Council 22/23 Budget	0.150	1.439	9.719
Changes at Q3	-0.771	0.821	0
Current Capital Estimates	2.424	8.367	22.833

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

Table 2: Scheme Timetable Revision:

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

Scheme	2021/22 Working Budget £'000	2021/22 Forecast £'000	Difference £'000	Reason for Difference	Estimated impact on 2022/23 onwards £'000
Parking Charging Payments Management System	235	40	-195	Tenders have been received and are currently being assessed.	195
Community Facilities Refurbishment	265	165	-100	This budget is demand led and the pandemic has severely impacted on the ability of community and voluntary sector organisations to consider small or large scale capital projects. Their usual activity has been diverted to supporting those vulnerable individuals in the community so has affected their capacity to apply at the present time.	100
Match Funding Electric Vehicle charging Points	100	0	-100	In the process of working up a Government grant application which will take the next couple of months, including finding out whether we have been successful.	100

Scheme	2021/22 Working Budget £'000	2021/22 Forecast £'000	Difference £'000	Reason for Difference	Estimated impact on 2022/23 onwards £'000
Mrs Howard Hall Boiler/windows	63	0	-63	Whilst negotiations to agree and complete a full repairing lease with the current tenant of Mrs Howard Memorial Hall have progressed well in 2021, those negotiations continue. Until the lease is completed and NHDC has some certainty as to the property's precise future use, it is not considered prudent to spend the capital as this may result in the money not being put to its optimum use. The lease is anticipated to be agreed and completed in Quarter 3 or Quarter 4 of 2022-23, although this timescale is an estimate and cannot be guaranteed at this point in time.	63
Replacement Floodlights St Marys	60	0	-60	Due to having to prioritise other works this project has been delayed in to 2022/23.	60
Leisure Condition Survey- Letchworth Outdoor Pool	82	24	-58	The Letchworth Outdoor Pool re-roofing project has been delayed by Covid. The works is now scheduled to take place in Sept/Oct 2022	58
Icknield Way Cemetery Paths	50	0	-50	Initial procurement exercises did not result in a suitable contractor being identified for the works – therefore this exercise will have to be repeated with the view of potentially undertaking the works in the summer when weather conditions are more favourable	50
Install On Street Charging	50	0	-50	This project has been put on hold while we are undertaking a feasibility study on alternative methods of payment which links in with the Parking Charging Payments Management System	50

Scheme	2021/22 Working Budget £'000	2021/22 Forecast £'000	Difference £'000	Reason for Difference	Estimated impact on 2022/23 onwards £'000
Royston Leisure Centre Solar Thermal Installation	50	0	-50	Project delayed due to pre investigation works required which include detailed feasibility and specification of the system to ensure compatibility with existing system.	50
Museums Services Development- Canopy over the terrace	48	0	-48	Structural issues with the design of the building mean this is proving difficult to achieve, with no obvious anchor points for a canopy type structure. We await investigations into the cause of a recent leak in the terrace area to see whether this might present an opportunity for this to be achieved through a slight redesign of the kitchen roof and terrace area.	48
North Herts Museum Platform Lift	40	0	-40	The providers of the original lift have tried a number of changes to the lift which appear to have worked for now and averted the need for this spend, but this has not been tested for long enough to conclusively state that a replacement lift is not needed.	40
Other minor changes			-7		7
Total Revision to Budget Profile			-821		821

8.5 There are also changes to the overall costs of schemes in 2021/22. These changes total a net increase of £0.050million and are detailed in Table 3

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

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

Scheme	2021/22 Working Budget £'000	2021/22 Forecast Spend £'000	Difference £'000	Comments
North Herts Leisure Centre Sauna Refurbishment	0	150	150	The Sauna has been closed since January. Full Council approved the reprofiling of this budget into 21/22 from 22/23 to enable a full refurbishment to be undertaken.

Scheme	2021/22 Working Budget £'000	2021/22 Forecast Spend £'000	Difference £'000	Comments
S106 Projects	75	115	+40	To date, a total of £114k of S106 funds have been released for community schemes.
Other minor changes			+10	
Total revision to scheme spend			+200	

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

Table 4: Funding the Capital Programme:

	2021/22 Balance at start of year £M	2021/22 Forecast Additions £M	2021/22 Forecast Funding Used £M	2021/22 Balance at end of year £M
Useable Capital Receipts and Set-aside Receipts	6.229	2.910	(2.203)	6.936
S106 receipts			(0.150)	
Other third party grants and contributions			(0.036)	
IT Reserve / Revenue			(0.035)	
Planned Borrowing			0	
Total			(2.424)	

8.7 The availability of third party contributions and grants to fund capital investment is continuously sought in order to reduce pressure on the Council's available capital receipts and allow for further investment. Additional capital receipts are dependent on selling surplus land and buildings. Ensuring that the Council gets best value from the disposal of land and buildings can take a long time and therefore the amounts that might be received could be subject to change.

8.8 The Council's Capital Financing Requirement (CFR) at 31st March 2021 was negative £5.18M. Based on current forecasts it will remain negative during 2021/22

Treasury Management 2020/21

8.9 The Council invests its surplus cash in accordance with the Investment Strategy (see paragraph 4.2). This surplus cash is made up of capital funding balances, revenue general fund balance, revenue reserve and provisions balances and variations in cash due to the timing of receipts and payments. During the first nine months, the Council had an average investment balance of £58.5M and invested this in accordance with the treasury and prudential indicators as set out in the Integrated Capital and Treasury Management Strategy and in compliance with the Treasury Management Practices. However, the £5M limit on the Council's Current Account was exceeded on 9th December for one day. The balance was £15M. This happened because the whole of the Council's IT systems were down for the majority of the day. When the systems were operational in the afternoon, the cut off times for placing investments had passed. As we

thought that the unavailability would only be for a short period, we did not look at alternative options for moving the funds.

- 8.10 During the quarter the Council has had higher than usual cash balances due to the various grant funding that it has been given by Government to pass on to businesses. Even though every effort has been made to pass the money on to businesses as quickly as possible, there has inevitably been a delay between receipt and payment. There have also been tranches of grant where the amount received has exceeded the amounts eligible for payment. Balances have also been higher due to the delays in capital spend in 2021/22. These have both been partially off-set by revenue costs and reduced income related to Covid-19. It has been necessary to keep the business grant funding very liquid, and therefore the level in short-term investments with the Debt Management Office has remained high.
- 8.11 The Council generated £0.036M of interest during the nine months of 2021/22. The average interest rate on all outstanding investments at the 31st December was 0.12%. Interest rates have continued to remain low so consequently any new investments are yielding significantly less than the average interest rate on all outstanding investments at the 31st March which was 0.41%. Based on current investments and forecasts of interest rates (which have started to rise) and cash balances for the remainder of the year, it is forecast that the Council will generate £0.066M of interest over the whole of 2021/22.
- 8.12 As at 31st December 2021 the split of investments was as shown in the table below. There were no investments with non-UK banks during the quarter due to the high Country rating that we have set for international investments.

Banks	21%
Building Societies	21%
Government	26%
Local Authorities	27%
Money Market Fund (MMF)	5%

- 8.13 The level of risk of any investment will be affected by the riskiness of the institution where it is invested and the period that it is invested for. Where an institution has a credit rating this can be used to measure its riskiness. This can be combined with the period remaining on the investment to give a historic risk of default percentage measure. The table below shows the Historic Risk of Default for outstanding investments at 31 December 2021. The most risky investment has a historic risk of default of 0.074%. It should also be noted that in general the interest rate received is correlated to the risk, so the interest income received would be less if the Council took on less risk.

Borrower	Principal Invested £M	Interest Rate %	Credit Rating	Days to Maturity at 31 Dec	Historic Risk of Default %
Public Sector Deposit Fund (MMF)	3.0	0.04	AAAmf	Call	0
Principality Building Society	2.0	0.07	BBB+	18	0.007

Borrower	Principal Invested £M	Interest Rate %	Credit Rating	Days to Maturity at 31 Dec	Historic Risk of Default %
Leeds Building Society	2.0	0.07	A-	18	0.002
Bank of Scotland	2.0	0.03	A+	18	0.004
North Lanarkshire Council	2.0	0.03	AA-	19	0.001
Nationwide Building Society	1.0	0.07	A	19	0.002
Principality Building Society	1.0	0.08	BBB+	28	0.011
DMO (Government)	3.0	0.06	AA-	28	0.002
Suffolk County Council	5.0	0.03	AA-	32	0.002
Santander UK	1.0	0.08	A+	47	0.006
Barclays	2.0	0.02	A+	52	0.007
Santander UK	1.0	0.08	A+	52	0.007
DMO (Government)	11.0	0.05	AA-	54	0.003
DMO (Government)	3.0	0.05	AA-	56	0.004
Leeds Building Society	1.0	0.06	A-	59	0.008
Newcastle Building Society	1.0	0.11	*	59	0.023
Slough Borough Council	2.0	0.1	AA-	60	0.004
Slough Borough Council	1.0	0.1	AA-	60	0.004
Nationwide Building Society	1.5	0.05	A	76	0.010
Lloyds	3.0	0.05	A+	80	0.012
Barclays	1.0	0.29	A+	118	0.015
Santander UK	1.0	0.34	A+	119	0.015
Nat West	2.0	0.46	A	151	0.020
Yorkshire Building Society	3.0	0.22	A-	152	0.020
West Dunbartonshire Council	5.0	0.05	AA-	168	0.011
Marsden Building Society	1.5	0.25	*	192	0.074
Moray Council	3.0	0.2	AA-	234	0.015
Nat West	1.0	0.39	A	258	0.033
	66.0	0.12			

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

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

9. LEGAL IMPLICATIONS

9.1 Cabinet's terms of reference under 5.6.7 specifically includes "to monitor expenditure on the capital programme and agree adjustments within the overall budgetary framework". The Cabinet also has a responsibility to keep under review the budget of the Council and any other matter having substantial implications for the financial resources of the Council. By considering monitoring reports throughout the financial year Cabinet is able to make informed recommendations on the budget to Council. The Council is under a duty to maintain a balanced budget.

9.2 Section 151 of the Local Government Act 1972 states that:
"every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs."

9.3 Asset disposals must be handled in accordance with the Council's Contract Procurement Rules.

9.4 The Prudential Indicators comply with the Local Government Act 2003.

10. FINANCIAL IMPLICATIONS

10.1 The main financial implications are covered in section 8 of the report.

10.2 The Authority operates a tolerance limit on capital projects that depends on the value of the scheme and on this basis over the next ten-year programme it should be anticipated that the total spend over the period could be around £3.8M higher than the budgeted £33.6M.

10.3 The capital programme will need to remain under close review due to the limited availability of capital resources and the affordability in the general fund of the cost of using the Council's capital receipts. When capital receipts are used and not replaced the availability of cash for investment reduces. Consequently interest income from investments reduces. £1.0M currently earns the Authority approximately £1k per year in interest. The general fund estimates are routinely updated to reflect the reduced income from investments. When the Capital Financing Requirement (CFR) reaches zero the Council will need to start charging a minimum revenue provision to the general fund for the cost of capital and will need to consider external borrowing for further capital spend. The CFR at the 31 March 2021 was negative £5.18M.

10.4 The Council also aims to ensure that the level of planned capital spending in any one year matches the capacity of the organisation to deliver the schemes to ensure that the impact on the revenue budget of loss of cash-flow investment income is minimised.

11. RISK IMPLICATIONS

11.1 The inherent risks in undertaking a capital project are managed by the project manager of each individual scheme. These are recorded on a project risk log which will be considered by the Project Board (if applicable). The key risks arising from the project may be recorded on Pentana (the Council's Performance & Risk management software). Some of the major capital projects have been included in the Council's Corporate Risks (such as the new North Hertfordshire Museum). The Corporate Risks are monitored by the Finance, Audit and Risk Committee and Cabinet.

11.2 Risks associated with treasury management and procedures to minimise risk are outlined in the Treasury Management Practices document, TMP1, which was adopted by Cabinet in July 2003 and is revisited annually as part of the Treasury Strategy review. The risk on the General Fund of a fall of investment interest below the budgeted level is dependent on banks and building societies need for borrowing.

12. EQUALITIES IMPLICATIONS

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

- 12.2 There are no direct equalities implications directly arising from the adoption of the Capital Programme for 2020/21 onwards. For any individual new capital investment proposal of £50k or more, or affecting more than two wards, an equality analysis is required to be carried out. This will take place following agreement of the investment proposal.

13. SOCIAL VALUE IMPLICATIONS

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

14. ENVIRONMENTAL IMPLICATIONS

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

15. HUMAN RESOURCE IMPLICATIONS

- 15.1 There are no direct human resource implications.

16. APPENDICES

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

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18. BACKGROUND PAPERS

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

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		Spend / Forecast Spend						Funding				
		2021/22 Funding £	2022/23 Funding £	2023/24 Funding £	2024/25 Funding £	2025/26 Funding £	2026/27 - 2031/32 Funding £					
Project	Service Directorate							Funded from Other Grants	Funded from Government Grant	Funded from s106 contributions	Funded from Revenue / IT Reserve	Balance funded from Capital Receipts/ Set- aside receipts/ Borrowing
40 KVA UPS Device or Battery Replacement	Customers	15,000	0	12,000	0	14,000	16,000	0	0	0	0	57,000
Access Burymean Road	Commercial	5,300	0	0	0	0	0	0	0	0	0	5,300
Alteration & improvement to underground drainage at Coombes Community Centre, Royston	Commercial	50,000	0	0	0	0	0	0	0	0	0	50,000
Alternative to safeword tokens for staff/members working remotely	Customers	1,900	5,000	0	3,000	0	22,000	0	0	0	0	31,900
Avenue Park Floodlights	Place	0	30,000	0	0	0	0	0	0	0	0	30,000
Avenue Park Splash Park	Place	0	0	70,000	0	0	0	0	0	0	0	70,000
Back-up Diesel 40 KVA Generator (DCO)	Customers	0	0	25,000	0	0	0	0	0	0	0	25,000
Baldock Town Hall project	Legal and Community	17,600	0	0	0	0	0	0	0	0	0	17,600
Bancroft Lighting	Place	0	0	45,000	0	0	0	0	0	0	0	45,000
Bancroft & Priory Splash Pads	Place	0	0	0	35,000	0	0	0	0	0	0	35,000
Bury Mead Road Transfer Facuility	Place	0	30,000	0	0	0	0	0	0	0	0	30,000
Cabinet Switches - 4 Floors	Customers	18,000	0	0	18,000	0	18,000	0	0	0	0	54,000
Cadcorp Local Knowledge & Notice Board Software	Customers	5,400	0	0	0	0	0	0	0	0	200	5,200
Careline Servers	Customers	15,000	0	0	0	0	0	0	0	0	0	15,000
CCTV at DCO & Hitchin Town Hall	Customers	15,000	5,000	0	0	0	0	0	0	0	0	20,000
Conference Calling Solutions in Large Meeting Rooms at District Council Offices	Customers	35,000	0	0	0	0	0	0	0	0	0	35,000
Council Chamber - upgrade to the cameras / software	Customers	18,300	0	0	0	0	0	0	0	0	0	18,300
Council Property improvements following condition survey	Resources	122,000	554,700	0	0	0	0	0	0	0	0	676,700
Cyber Attacks - Events Monitoring Software Solution	Customers	24,300	0	0	0	0	0	0	0	0	0	24,300
Cycle Strategy implementation (GAF)	Regulatory	0	278,000	0	0	0	0	0	278,000	0	0	0
Data Splash Upgrade	Customers	0	15,000	0	18,000	0	41,000	0	0	0	0	74,000
DR Hardware Refresh Inc UPS Battery Pk (unit 3)	Customers	0	0	0	0	55,000	0	0	0	0	0	55,000
Email / Web Gateway with SPAM Filtering Software Solution - Licence 3 Year Contract	Customers	22,700	0	0	0	0	0	0	0	0	0	22,700
Email Encryption Software Solution	Customers	40,400	0	0	0	0	0	0	0	0	0	40,400
Energy efficiency measures	Resources	5,500	0	0	0	0	0	0	0	0	0	5,500
Environmental Improvements	Place	0	115,000	0	0	0	0	0	0	0	0	115,000
Former Public Convenience Portmill Lane	Commercial		25,000	0	0	0	0	0	0	0	0	25,000
Great Ashby District Park safety and security	Place	20,000	0	0	0	0	0	0	0	0	0	20,000
Green Infrastructure implementation (GAF)	Regulatory	0	185,000	0	0	0	0	0	185,000	0	0	0
Grounds Maintenance Vehicles & Machinery	Place	0	315,000	0	0	0	0	0	0	0	0	315,000
Hitchin Lairage car park - cosmetic coating to four stairwells and replacement windows and doors	Resources	0	75,000	0	0	0	0	0	0	0	0	75,000
Hitchin Swim Centre Boiler Replacement	Place	0	0	0	200,000	0	0	0	0	0	0	200,000
Hitchin Swim Centre Archers Member Change and Relaxation Area Refurbishment	Place	0	0	0	0	300,000	0	0	0	0	0	300,000
Hitchin Swim Centre Changing Village Refurbishment	Place	0	0	0	0	0	225,000	0	0	0	0	225,000
Hitchin Swim Centre Fitness Equipment Replacement	Place	0	0	0	0	0	300,000	0	0	0	0	300,000
Hitchin Swim Centre Fitness Facility Refurbishment	Place	0	0	0	0	0	50,000	0	0	0	0	50,000
Hitchin Swim Centre oOutdoor Pool Cover Replacement	Place	0	0	0	0	0	30,000	0	0	0	0	30,000
Hitchin Swim Centre Outdoor Pool Boiler Replacement	Place	40,000	0	40,000	0	0	0	0	0	0	0	80,000
Hitchin Swim Centre Reception Toilet Refurbishment	Place	0	0	30,000	0	0	0	0	0	0	0	30,000

Project	Service Directorate	Spend / Forecast Spend						Funding				
		2021/22 Funding £	2022/23 Funding £	2023/24 Funding £	2024/25 Funding £	2025/26 Funding £	2026/27 - 2031/32 Funding £	Funded from Other Grants	Funded from Government Grant	Funded from s106 contributions	Funded from Revenue / IT Reserve	Balance funded from Capital Receipts/ Set- aside receipts/ Borrowing
Refurbishment and improvement of community facilities	Legal and Community	165,300	100,000	0	0	0	0	0	0	0	0	265,300
Refurbishment of lifts at Lairage Car Park	Resources	375,000	0	0	0	0	0	0	0	0	0	375,000
Refuse & Recycling Bins	Place	0	90,000	90,000	90,000	90,000	540,000	0	0	0	0	900,000
Renovate play area Howard Park, Letchworth	Place	75,000	0	0	0	0	0	0	0	0	0	75,000
Renovate skate park at KGV Hitchin	Place	0	0	250,000	0	0	0	0	0	0	0	250,000
Replace and enhance lighting at St Mary's Car Park	Resources	0	60,000	0	0	0	0	0	0	0	0	60,000
Replace items of play equipment Holroyd Cres, Baldock	Place	10,000	0	0	0	0	0	0	0	0	0	10,000
Replace items of play equipment Wilbury Recreation Ground, Letchworth	Place	10,000	0	0	0	0	0	0	0	0	0	10,000
Replacement of Newark Close, Royston	Commercial	0	65,000	0	0	0	0	0	0	0	0	65,000
Replacement of the timber access bridge at Norton Common	Place	0	75,000	0	0	0	0	0	0	0	0	75,000
Resurface Lairage Car Park	Resources	0	350,000	0	0	0	0	0	0	0	0	350,000
Riverside walkway, Biggin Lane Hitchin	Commercial	0	53,000	0	0	0	0	0	0	0	0	53,000
Royston Leisure Centre Boiler Replacement	Place	0	0	0	0	0	100,000	0	0	0	0	100,000
Royston Leisure Centre extension	Place	0	0	1,000,000	0	0	0	0	0	0	0	1,000,000
Royston Leisure Centre Changing Village Refurbishment	Place	0	0	225,000	0	0	0	0	0	0	0	225,000
Royston Leisure Centre Dry Side Toilet Refurbishment	Place	0	0	0	0	30,000	0	0	0	0	0	30,000
Royston Leisure Centre Fitness Equipment Replacement	Place	0	0	0	0	0	150,000	0	0	0	0	150,000
Royston Leisure Centre Fitness Facility Refurbishment	Place	0	0	0	0	0	50,000	0	0	0	0	50,000
Royston Leisure Centre Members Changing Refurbishment	Place	0	0	0	150,000	0	0	0	0	0	0	150,000
Royston Leisure Centre Solar Thermal Installation	Place	0	50,000	0	0	0	0	0	0	0	0	50,000
S106 Projects	Various	115,000	0	0	0	0	0	0	0	115,000	0	0
Security - Firewalls	Customers	10,800	14,000	0	16,000	0	36,000	0	0	0	0	76,800
Solar PV installation at Hitchin Swim Centre	Place	0	0	115,000	0	0	0	0	0	0	0	115,000
Solar PV installation at North Herts Leisure Centre	Place	0	0	260,000	0	0	0	0	0	0	0	260,000
Solar PV installation at Royston Leisure Centre	Place	0	0	185,000	0	0	0	0	0	0	0	185,000
St Johns Cemetery Footpath	Place	0	0	0	40,000	0	0	0	0	0	0	40,000
Tablets - Android Devices	Customers	18,900	15,000	10,000	10,000	10,000	30,000	0	0	0	0	93,900
Telephony system	Customers	10,600	0	0	0	0	0	0	0	0	0	10,600
Thomas Bellamy House, Hitchin	Commercial	0	65,000	0	0	0	0	0	0	0	0	65,000
Town Centre Parks Play Provision	Place	0	15,000	0	0	0	0	0	0	0	0	15,000
Transport Plans Implementation (GAF)	Regulatory	0	250,000	0	0	0	0	0	250,000	0	0	0
Voice Recorders Careline	Customers	6,600	0	0	0	0	0	0	0	0	0	6,600
Walsworth Common Pavilion - contribution to scheme	Place	0		300,000	0	0	0	250,000	0	37,000	0	13,000
Waste and Street Cleansing Vehicles	Place	0	0	0	0	4,000,000	0	0	0	0	3,200,000	800,000
Weston Hills LNR Footpath Renovation	Place	0	20,000	0	0	0	0	0	0	0	0	20,000
Wilbury Hills Cemetery Footpaths	Place	7,800	6,600	10,000	10,000	0	30,000	0	0	0	0	64,400
WiFi Upgrade	Customers	0	0	0	0	40,000	0	0	0	0	0	40,000
		2,423,600	8,367,300	5,522,000	4,136,000	8,909,000	4,266,000	298,300	856,000	457,200	3,405,200	28,607,200

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Treasury Management Update

Quarterly report
31st December 2021

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Treasury Management Update

Quarter Ended 31st December 2021

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

1. Economics update

MPC meeting 16th December 2021

- The Monetary Policy Committee (MPC) voted 8-1 to **raise Bank Rate by 0.15% from 0.10% to 0.25%** and unanimously decided to make no changes to its programme of quantitative easing purchases due to finish in December 2021 at a total of £895bn.
- The MPC disappointed financial markets by not raising Bank Rate at its November meeting. Until Omicron burst on the scene, most forecasters, therefore, viewed a Bank Rate increase as being near certain at this December meeting due to the way that inflationary pressures have been comprehensively building in both producer and consumer prices, and in wage rates. However, at the November meeting, the MPC decided it wanted to have assurance that the labour market would get over **the end of the furlough scheme on 30th September** without unemployment increasing sharply; their decision was, therefore, to wait until statistics were available to show how the economy had fared at this time.
- **On 10th December we learnt of the disappointing 0.1% m/m rise in GDP** in October which suggested that economic growth had already slowed to a crawl even before the Omicron variant was discovered in late November. Early evidence suggests growth in November might have been marginally better. Nonetheless, at such low rates of growth, the government's "Plan B" COVID-19 restrictions could cause the economy to contract in December.
- **On 14th December, the labour market statistics** for the three months to October and the single month of October were released. The fallout after the furlough scheme ended on 30th September, (about one million people were still on furlough), was smaller and shorter than the Bank of England had feared: unemployment did not increase hugely in October. Indeed, vacancies rose to a record 1.219m in the three months to November showing there were acute shortages of labour.
- These figures by themselves, would probably have been enough to give the MPC the assurance that it could press ahead to raise Bank Rate at this December meeting. However, the advent of Omicron in late November potentially threw a spanner into the works as it poses a major headwind to the economy which, of itself, will help to cool the economy. The financial markets, therefore, swung round to expecting no change in Bank Rate.
- **On 15th December we had the CPI inflation** figure for November which spiked up further from 4.2% to 5.1%, confirming again how inflationary pressures have been building sharply. However, Omicron also caused a sharp fall in world oil and other commodity prices; (gas and electricity inflation has generally accounted on average for about 60% of the increase in inflation in advanced western economies).
- **Other elements of inflation are also transitory** e.g., prices of goods being forced up by supply shortages, and shortages of shipping containers due to ports being clogged have caused huge increases in shipping costs. But these issues have reduced during the second half of 2021 and are likely to clear during 2022 when prices would be expected to subside back to more normal levels. Gas prices and electricity prices will also fall back once winter is passed and demand for these falls away.
- The Government has stepped in with some **fiscal support for the economy**, targeted mainly at the hospitality sector. Due to the huge cost of such support to date, it is likely to remain being limited and targeted on narrow sectors. The Government may well, therefore, effectively leave it to the MPC, and to monetary policy, to support economic growth – but at a time when the threat posed by rising inflation is near to peaking!
- This is the adverse set of factors against which the MPC had to decide on Bank Rate. For the second month in a row, the MPC blind-sided financial markets, this time with a **surprise increase in Bank Rate from 0.10% to 0.25%**. What's more, the hawkish tone of comments indicated that the MPC is now concerned

that inflationary pressures are indeed building and need concerted action by the MPC to counter. This indicates that there will be more increases to come with financial markets predicting 1% by the end of 2022. The 8-1 vote to raise the rate shows that there is firm agreement that inflation now poses a threat, especially after the CPI figure hit a 10-year high. The MPC commented that “there has been significant upside news” and that “there were some signs of greater persistence in domestic costs and price pressures”.

- On the other hand, it did also comment that **“the Omicron variant is likely to weigh on near-term activity”**. But it stressed that at the November meeting it had said it would raise rates if the economy evolved as it expected and that now “these conditions had been met”. It also appeared more worried about the possible boost to inflation from Omicron itself. It said that “the current position of the global and UK economies was materially different compared with prior to the onset of the pandemic, including elevated levels of consumer price inflation”. It also noted the possibility that renewed social distancing would boost demand for goods again, (as demand for services would fall), meaning “global price pressures might persist for longer”. (Recent news is that the largest port in the world in China has come down with an Omicron outbreak which is not only affecting the port but also factories in the region.)
- On top of that, there were no references in December to inflation being expected to be below the **2% target in two years’ time**, which at November’s meeting the MPC referenced to suggest the markets had gone too far in expecting interest rates to rise to over 1.00% by the end of the year.
- These comments indicate that there has been a material reappraisal by the MPC of the inflationary pressures since their last meeting and the Bank also increased its forecast for inflation to peak at 6% next April, rather than at 5% as of a month ago. However, as the Bank retained its guidance that only a **“modest tightening”** in policy will be required, it cannot be thinking that it will need to increase interest rates that much more. A typical policy tightening cycle has usually involved rates rising by 0.25% four times in a year. “Modest” seems slower than that. As such, the Bank could be thinking about raising interest rates two or three times in 2022 to 0.75% or 1.00%.
- In as much as a considerable part of the inflationary pressures at the current time are indeed **transitory**, and will naturally subside, and since economic growth is likely to be weak over the next few months, this would appear to indicate that this tightening cycle is likely to be comparatively short.
- As for the timing of the next increase in Bank Rate, the MPC dropped the comment from November’s statement that Bank Rate would be raised “in the coming months”. That may imply another rise is unlikely at the next meeting in February and that May is more likely. However, much could depend on how adversely, or not, the economy is affected by Omicron in the run up to the next meeting on 3rd February. Once 0.50% is reached, the Bank would act to start shrinking its stock of QE, (gilts purchased by the Bank would not be replaced when they mature).
- **The MPC’s forward guidance on its intended monetary policy** on raising Bank Rate versus selling (quantitative easing) holdings of bonds is as follows: -
 1. Placing the focus on raising Bank Rate as “the active instrument in most circumstances”.
 2. Raising Bank Rate to 0.50% before starting on reducing its holdings.
 3. Once Bank Rate is at 0.50% it would stop reinvesting maturing gilts.
 4. Once Bank Rate had risen to at least 1%, it would start selling its holdings.
- **COVID-19 vaccines.** These have been the game changer which had enormously boosted confidence that **life in the UK could largely return to normal during the second half of 2021** after a third wave of the virus threatened to overwhelm hospitals in the spring. The bursting onto the scene of **the Omicron mutation** at the end of November had threatened to cancel the Christmas holidays, but the Government decided not to impose more severe restrictions in the hope that this mild, but highly contagious variant, would not overwhelm hospitals. The big question is whether further mutations of the virus could develop which render current vaccines ineffective, as opposed to how quickly vaccines can be modified to deal with them and enhanced testing programmes be implemented to contain their spread.

US. See comments below on US treasury yields.

EU. The ECB joined with the Fed by also announcing on 16th December that it will be reducing its QE purchases - by half from October 2022, i.e., it will still be providing significant stimulus via QE purchases during the first half of 2022. Although headline inflation reached 4.9% in November, over half of that was due to energy but oil

and gas prices are expected to fall sharply after the winter. As overall inflation will fall back sharply during 2022, it is likely that the ECB will leave its central rate below zero, (currently -0.50%), over the next two years. The main struggle that the ECB has had in recent years is that inflation has been doggedly anaemic in sticking below its target rate of 2% despite all the ECB's major programmes of monetary easing by cutting rates into negative territory and providing QE support.

China. The pace of economic growth has now fallen back after the initial surge of recovery from the pandemic and China has been struggling to contain the spread of the Delta variant through using sharp local lockdowns - which depress economic growth. However, with Omicron having now spread to China and being much more easily transmissible, this strategy of sharp local lockdowns to stop the virus may not prove so successful in future; this strategy poses a potential renewed threat to world supply chains. The People's Bank of China made a start in December 2021 on cutting its key interest rate to encourage flagging economic growth.

Japan. 2021 has been a patchy year in combating Covid. However, recent business surveys indicate that the economy is rebounding rapidly now that the bulk of the population is fully vaccinated, and new virus cases have plunged. However, Omicron could reverse the success of 2021 in combating Covid. The Bank of Japan is continuing its very loose monetary policy but with little prospect of getting inflation back above 1% towards its target of 2%, any time soon.

World growth. World growth was in recession in 2020 but recovered during 2021 until starting to lose momentum more recently. Inflation has been rising due to increases in gas and electricity prices, shipping costs and supply shortages, although these should subside during 2022. It is likely that we are heading into a period where there will be a reversal of **world globalisation** and a decoupling of western countries from dependence on China to supply products, and vice versa. This is likely to reduce world growth rates from those in prior decades.

2. Interest rate forecasts

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

The latest forecast on 20th December is compared below to the last forecast (29th September) in the previous quarter. A comparison of these forecasts shows that PWLB rates have fallen, more so in the longer maturities, and show a speed up in the rate of increase in Bank Rate as inflation is now posing a greater risk. Some of the fall in PWLB rates during December was probably due to window dressing by pension and investment funds preparing their finances for the year and quarter end position for 2021 on 31st December: it was therefore expected that part of those falls would be unwound in the new year.

Link Group Interest Rate View 20.12.21														
	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
BANK RATE	0.25	0.25	0.50	0.50	0.50	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.25
3 month ave earnings	0.20	0.30	0.50	0.50	0.60	0.70	0.80	0.90	0.90	1.00	1.00	1.00	1.00	1.00
6 month ave earnings	0.40	0.50	0.60	0.60	0.70	0.80	0.90	1.00	1.00	1.10	1.10	1.10	1.10	1.10
12 month ave earnings	0.70	0.70	0.70	0.70	0.80	0.90	1.00	1.10	1.10	1.20	1.20	1.20	1.20	1.20
5 yr PWLB	1.40	1.50	1.50	1.60	1.60	1.70	1.80	1.80	1.80	1.90	1.90	1.90	2.00	2.00
10 yr PWLB	1.60	1.70	1.80	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.10	2.20	2.30
25 yr PWLB	1.80	1.90	2.00	2.10	2.10	2.20	2.20	2.20	2.30	2.30	2.40	2.40	2.50	2.50
50 yr PWLB	1.50	1.70	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.20	2.20	2.30	2.30

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

Additional notes by Link on this forecast table: -

- *LIBOR and LIBID rates will cease from the end of 2021. Work is currently progressing to replace LIBOR with a rate based on SONIA (Sterling Overnight Index Average). In the meantime, our forecasts are based on expected average earnings by local authorities for 3 to 12 months.*
- *Our forecasts for average earnings are averages i.e., rates offered by individual banks may differ significantly from these averages, reflecting their different needs for borrowing short term cash at any one point in time.*

The coronavirus outbreak has done huge economic damage to the UK and to economies around the world. After the Bank of England took emergency action in March 2020 to cut Bank Rate to 0.10%, it left Bank Rate unchanged until it raised it from 0.10% to 0.25% at the MPC meeting of 16th December 2021.

A summary overview of the future path of Bank Rate

- In December 2021, the Bank of England became the first major western central bank to put interest rates up in this upswing in the current business cycle in western economies as recovery progresses from the Covid recession of 2020.
- The next increase in Bank Rate could be in February or May, dependent on how severe an impact there is from Omicron.
- If there are lockdowns in January, this could pose a barrier for the MPC to putting Bank Rate up again as early as 3rd February.
- With inflation expected to peak between 5 and 6% in April, the MPC may want to be seen to be active in taking action to counter inflation on 5th May, the release date for its Quarterly Monetary Policy Report.
- However, rising gas and electricity prices last October and next April and increases in other prices caused by supply shortages and increases in taxation next April, are already going to deflate consumer spending power without the MPC having to take any action on Bank Rate to cool inflationary pressures.
- On the other hand, consumers are sitting on around £160bn of excess savings left over from the pandemic so when will they spend this sum, in part or in total?
- The December 2021 MPC meeting was more concerned with combating inflation over the medium term than supporting economic growth in the short term.
- Bank Rate increases beyond May are difficult to forecast as inflation is likely to drop sharply in the second half of 2022.
- However, the MPC will want to normalise Bank Rate over the next three years so that it has its main monetary policy tool ready to use in time for the next downturn; all rates under 2% are providing stimulus to economic growth.
- We have put year end 0.25% increases into Q1 of each financial year from 2023 to recognise this upward bias in Bank Rate - but the actual timing in each year is difficult to predict.
- Covid mutations remain a major potential downside threat in all three years as we ARE likely to get further mutations. How quickly can science come up with a mutation proof vaccine, or other treatment, – and for them to be widely administered around the world?

- Purchases of gilts under QE ended in December 2021. Note that when Bank Rate reaches 0.50%, the MPC has said it will start running down its stock of QE.

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

Forecasts for PWLB rates and gilt and treasury yields

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

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

Gilt yields. Since the start of 2021, we have seen a lot of volatility in gilt yields, and hence PWLB rates. Our forecasts show a steady, but slow, rise in both Bank Rate and PWLB rates during the forecast period to March 2025 but there will doubtless be a lot of unpredictable volatility during this forecast period.

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

US treasury yields. During 2020, US President Biden and the Democratic party pushed through a huge programme of fiscal stimulus and are still trying to get another major package approved – the American Families Plan; this is still caught up in political haggling. Financial markets were alarmed that all this stimulus was happening at a time when:-

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

It was not much of a surprise that a combination of these factors would eventually cause an excess of demand in the economy which generated strong inflationary pressures. This has eventually been recognised by the Fed at its recent December meeting with an aggressive response to damp inflation down during 2022 and 2023.

At its 3rd November Fed meeting, the Fed decided to make a start on tapering its \$120bn per month of QE purchases so that they ended next June. However, at its **15th December meeting** it doubled the pace of tapering so that they will end all purchases in February. These purchases are currently acting as downward pressure on treasury yields and so it would be expected that Treasury yields will rise over the taper period, all other things being equal. It also forecast that it expected there would be three rate rises in 2022 of 0.25% from near zero currently, followed by three in 2023 and two in 2024, taking rates back above 2% to a neutral level for monetary policy.

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

Significant risks to the forecasts

- COVID vaccines do not work to combat new mutations and/or new vaccines take longer than anticipated to be developed for successful implementation.

- The pandemic causes major long-term scarring of the economy.
- The Government implements an austerity programme that suppresses GDP growth.
- The MPC tightens monetary policy too early – by raising Bank Rate or unwinding QE.
- The MPC tightens monetary policy too late to ward off building inflationary pressures.
- Major stock markets e.g., in the US, become increasingly judged as being over-valued and susceptible to major price corrections. Central banks become increasingly exposed to the “moral hazard” risks of having to buy shares and corporate bonds to reduce the impact of major financial market sell-offs on the general economy.
- Geo-political risks - on-going global power influence struggles between Russia/China/US/Iran.

The balance of risks to the UK economy: -

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

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

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

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

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

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

3. Annual Investment Strategy

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

- Security of capital
- Liquidity
- Yield

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

As shown by the interest rate forecasts in section 2, it is currently impossible to earn the level of interest rates commonly seen in previous decades. However, rates have improved during quarter 3 of 21/22 and are expected to improve further as Bank Rate continues to increase over the next two years.

Creditworthiness.

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

Investment counterparty criteria

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

CDS prices

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

Investment balances

The average level of funds available for investment purposes during the quarter was **£64.6m**. These funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the capital programme. The Council holds **£20m** core cash balances for investment purposes (i.e. funds available for more than one year).

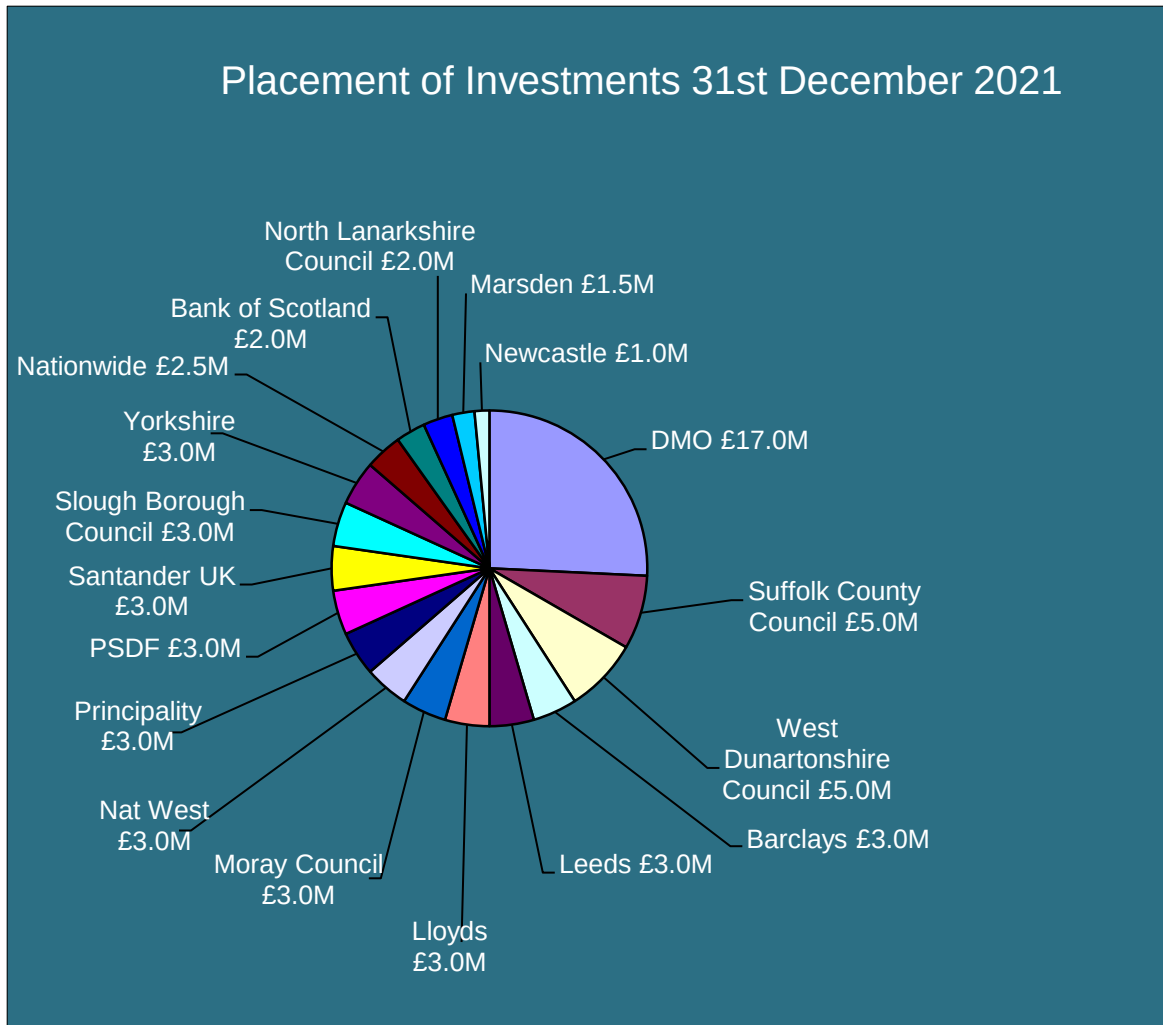
	Amount	Average
	£	Interest Rate %
Managed By NHDC		
Banks	14,000,000	0.17
Building Societies	11,500,000	0.13
Local Authorities	18,000,000	0.09
Money Market Fund	3,000,000	0.10
Government	17,000,000	0.05
NHDC Total	63,500,000	0.11
Managed by Tradition		
Building Societies	2,500,000	0.21
Tradition Total	2,500,000	0.21
TOTAL	66,000,000	0.12

In percentage terms, this equates to:

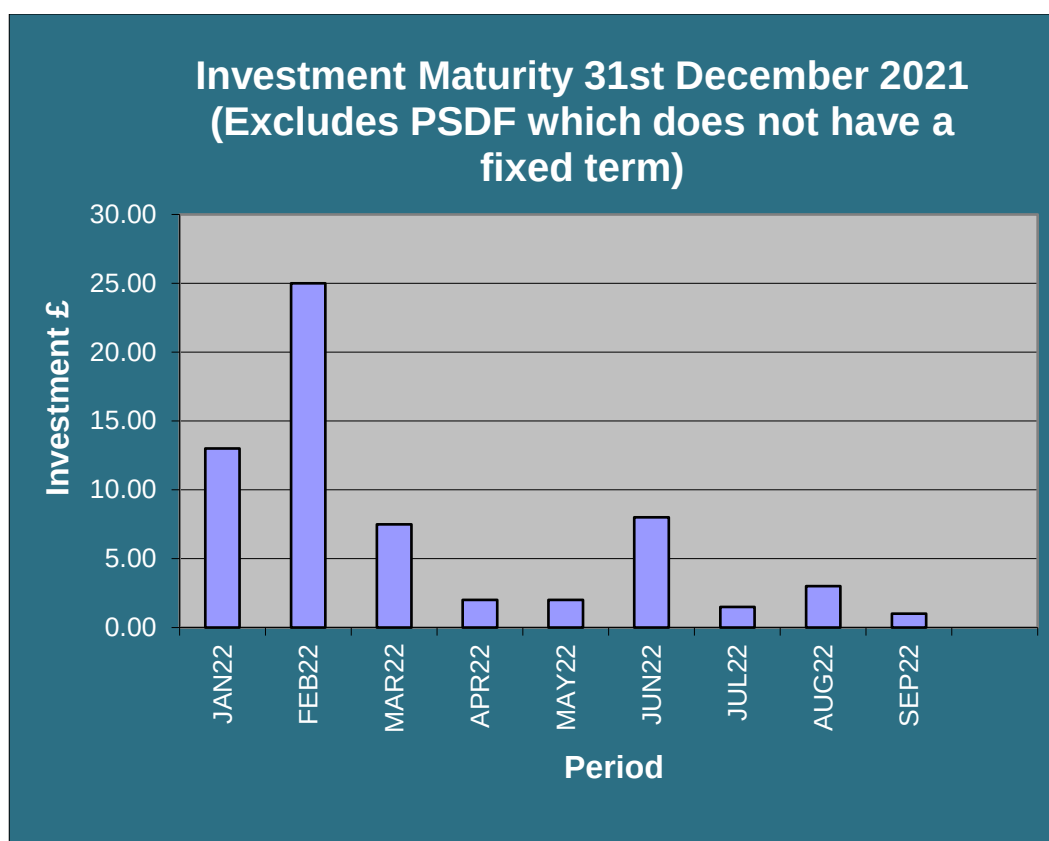
	Percentage
Money Market Fund	5
Government	26
Banks	21
Building Societies	21
Local Authorities	27

The approved 21/22 strategy is that no more than 60% of investments should be placed with Building Societies and Property Funds with a maximum value of £17M. The value at 31 December was £14.0M.

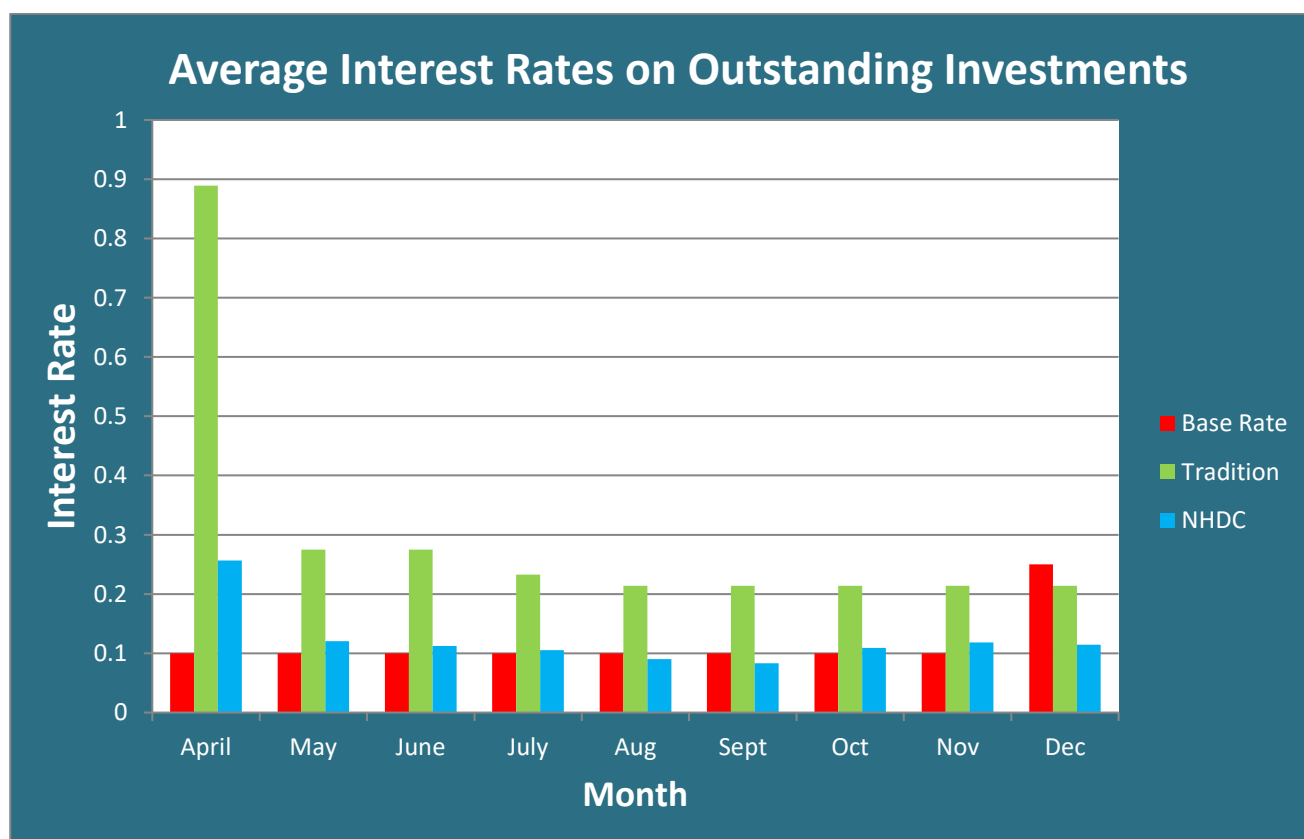
The pie chart below shows the spread of investment balances as at 31 December 2021. This is a snapshot in time that demonstrates the diversification of investments.



The chart below shows the Council's investment maturity profile. This does not include the £3.0M held in the Public Sector Deposit Fund Money Market account.



The graph below shows the average rate of interest on outstanding investments at 31 December.



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

Approved limits

Officers can confirm that the approved limits within the Annual Investment Strategy were not breached during the quarter ended 31st December 2021. However, the £5M limit on the Council's Current Account was exceeded on 9th December for one day. The balance was £15M. This happened because the whole of the Council's IT systems were down for the majority of the day. By the time the systems were operational in the afternoon, the cut off times for placing investments had passed.

4. Borrowing

No borrowing was undertaken during the quarter ended / year to 31st December 2021.)

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

Based on 3rd quarter estimates for capital expenditure, the Council's capital financing requirement (CFR) for 2021/22 is expected to be -£4.135M (-£5.182M at the end of 20/21). The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing) or from internal balances (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions and future forecasts.

Loans Outstanding at 31 December 2021:

	Amount	Average Interest Rate
	£	%
Public Works Loans Board	£395k	10.04

Estimated outstanding debt:

Year	Forecast Borrowing £m	Forecast other long-term liabilities £m	Less: Internal Borrowing £m	Forecast Total External Debt £m	Operational Boundary £m	Authorised Limit £m
31 st March 2022 (Forecast)	0.387	1.234	0	1.621	7.9	12
31 st March 2023 (Forecast)	0.367	1.183	0	1.550	7.1	11
31 st March 2024 (Forecast)	0.347	0.603	0	0.950	7.4	12
31 st March 2025 (Forecast)	0.325	0.412	0	0.737	13.6	18
31 st March 2026 (Forecast)	2.280	0.337	1.975	0.642	14.2	19

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

The external borrowing forecast can be used to give an indication of the borrowing that may be required, which is combined with outstanding existing borrowing. The Council will also borrow for short-term cash-flow needs if required. The actual borrowing that is taken out will depend on the latest forecasts and the offers that are available at the time that it is required. There will also be a consideration of when any other borrowing becomes due, with the aim of achieving a spread of these dates. This is to try and avoid refinancing risk. The Council is required to set indicators for the maturity structure of its borrowing. Given the low level of borrowing that the Council currently has and is forecast to have, it is considered appropriate to maintain full flexibility as to the exact duration of any borrowing undertaken.

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

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

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

Year	Estimated cost of borrowing £m	Forecast net revenue budget £m	Estimated cost of borrowing as a % of net revenue budget
2021/22	0.040	17.994	0.222
2022/23	0.039	18.198	0.214
2023/24	0.037	17.592	0.210
2024/25	0.035	17.390	0.201
2025/26	0.035	17.177	0.204

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

Year	Estimated cost of borrowing £m	Less: Forecast of interest earned £m	Net Financing Costs £m	Forecast net revenue budget £m	Estimated cost of borrowing as a % of net revenue budget
2021/22	0.040	0.066	-0.026	17.994	-0.144
2022/23	0.039	0.119	-0.080	18.198	-0.440
2023/24	0.037	0.131	-0.094	17.592	-0.534
2024/25	0.035	0.205	-0.170	17.390	-0.978
2025/26	0.035	0.210	-0.175	17.177	-1.019

5. Debt rescheduling

No debt rescheduling was undertaken during the quarter.

6. Compliance with Treasury and Prudential Limits

The prudential and treasury Indicators are shown in Appendix 1.

It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. During the year to date as at 31st December 2021, the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement for 2021/22. However, the £5M limit on the Council's Current Account was exceeded on 9th December for one day. The balance was £15M. This happened because the whole of the Council's IT systems were down for the majority of the day. By the time the systems were operational in the afternoon, the cut off times for placing investments had passed.

APPENDIX 1: Prudential and Treasury Indicators for 2021-22 as at 31st December 2021

Treasury Indicators	2021/22 Budget £'000	31.12.21 Actual £'000
Authorised limit for external debt	12,000	395
Operational boundary for external debt	7,900	395
Gross external debt	5,248	395
Investments	23,200	66,000
Net borrowing	17,952	65,605
Maturity structure of fixed rate borrowing - upper and lower limits		
Under 12 months	18	18
12 months to 2 years	282	19
2 years to 5 years	1,291	62
5 years to 10 years	4,162	55
Upper limit for principal sums invested over 365 days	11,000 Max	0

Prudential Indicators	2021/22 Budget £'000	31.12.21 Actual £'000
Capital expenditure	16,169	1,000
Capital Financing Requirement (CFR)	5,100	-4,668
Annual change in CFR	10,282	514
In year borrowing requirement	5,248	0
Ratio of financing costs to net revenue stream	0.71%	-0.09%

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CABINET 22 March 2022
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PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: THIRD QUARTER REVENUE BUDGET MONITORING 2021/22

REPORT OF: THE SERVICE DIRECTOR - RESOURCES

EXECUTIVE MEMBER: EXECUTIVE MEMBER FOR FINANCE AND IT

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

1. EXECUTIVE SUMMARY

- 1.1. The purpose of this report is to inform Cabinet of the summary position on revenue income and expenditure forecasts for the financial year 2021/22, as at the end of the third quarter. The forecast variance is a £510k decrease on the net working budget of £17.994million, with an ongoing impact in future years of a £42k increase and requests to carry forward budget totalling £196k to fund specific projects in 2022/23. The significant component variances are detailed and explained in table 3.

2. RECOMMENDATIONS

- 2.1. That Cabinet note this report.
- 2.2. That Cabinet approves the changes to the 2021/22 General Fund budget, as identified in table 3 and paragraph 8.2, a £510k decrease in net expenditure.
- 2.3. That Cabinet approves the changes to the 2022/23 General Fund budget, as identified in table 3 and paragraph 8.2, a total £238k increase in net expenditure.

3. REASONS FOR RECOMMENDATIONS

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

4. ALTERNATIVE OPTIONS CONSIDERED

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

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

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

6. FORWARD PLAN

- 6.1. The report contains a recommendation on a key decision that was first notified to the public in the Forward Plan on the 14th January 2022.

7. BACKGROUND

- 7.1. Council approved the revenue budget for 2021/22 of £18.441million in February 2021. As at the end of Quarter Three, the working budget has decreased to £17.994million. Table 1 below details the approved changes to this budget to get to the current working budget:

Table 1 - Current Working Budget

	£k
Original Revenue Budget for 2021/22 approved by Full Council	18,441
Quarter 3 2020/21 Revenue Budget Monitoring report – 2021/22 budget changes approved by Cabinet (March 2021)	(17)
2020/21 Revenue Budget Outturn Report – 2021/22 budget changes approved by Cabinet (June 2021)	377
Quarter 1 2021/22 Revenue Monitoring report - 2021/22 variances approved by Cabinet (September 2021)	560
Quarter 2 2021/22 Revenue Monitoring report - 2021/22 variances approved by Cabinet (December 2021)	(1,256)
Month 8 revenue monitoring included within 2022/23 budget report – 2021/22 variances approved by Cabinet (January 2022)	(111)
Current Working Budget	17,994

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

Table 2 – Service Directorate Budget Allocations

	Net Direct Working Budget at Q2	Changes approved at Q2	Changes approved at Month 8	Other Budget Changes during Q3	Net Direct Working Budget at end of Q3
Service Directorate	£k	£k	£k	£k	£k
Managing Director	2,221	11	0	(143)	2,089
Commercialisation	(222)	(64)	42	20	(224)
Customers	4,113	(281)	39	1	3,872
Legal & Community	2,274	(107)	(19)	39	2,187
Place	7,042	(1,263)	(59)	112	5,832
Regulatory Services	1,324	460	(114)	9	1,679
Resources	2,609	(12)	0	(38)	2,559
TOTAL	19,361	(1,256)	(111)	0	17,994

8. RELEVANT CONSIDERATIONS

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

Table 3 - Summary of significant variances

Budget Area	Working Budget £k	Forecast Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2022/23 £k
Strategic Priorities Fund	131	27	(104)	The Strategic Priorities Fund is a pot of money, which was initially funded from underspends, that Leadership Team allocate to short-term projects. This includes testing out new ideas. The forecast is that £104k will remain unspent at year end. A number of uses for the funding have been identified in 2022/23 that contribute towards Council Priorities and therefore it is requested that the unspent amount is carried forward. Those uses include continued consultancy support for the Boundary Review work, funding of Artificial Intelligence software to aid process automation, investment to allow automation of financial processes in the waste team, and trying out tools to enhance community engagement.	104	0
Hitchin Town Hall Net Direct Expenditure	201	234	+33	The emergence and spread of the Omicron variant of Covid-19 and subsequent tightening of restrictions during quarter 3, whilst not preventing events from going ahead, led to event cancellations and low attendances due to the associated apprehension surrounding indoor events, especially in the run up to the Christmas period. The forecast variance also includes the estimated impact of the Town Hall being closed during the final quarter for the flooring works to take place, which has prevented the vast majority of events from taking place in February. The ongoing impact relates to a reduction in anticipated business rates following a review undertaken by an external surveyor and the resulting merger of several component hereditaments.	0	(4)
Sales Income Ledger Bad Debt Provision	30	70	+40	The increase in the estimated contribution required to the bad debt provision in 21/22 is due to the calculation containing a higher level of commercial rents income debt that is now over twelve months old. The government introduced restrictions in the recovery of commercial debt to help businesses struggling due to the pandemic.	0	0

Budget Area	Working Budget £k	Forecast Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2022/23 £k
Legal & Community Directorate Staffing Costs	1,665	1,624	(41)	The underspend variance is a result of both holding a number of vacancies and some staff temporarily working reduced hours. The estimated impact in 2022/23 relates to temporary cover required for anticipated maternity leave in Legal Services. Following an unsuccessful attempt at recruitment on a temporary contract, the staffing cover will now have to be provided through an agency at a significantly higher cost than the budget provision for the existing post. The additional salary budget is therefore requested to recognise the temporary budget pressure in 2022/23.	0	50
Leisure Centre management – additional finance support to Stevenage Leisure Limited (SLL)	82	5	(77)	The further reduction in forecast financial support required is indicative of the continued recovery in activity at the Leisure Centres, with actual usage in quarter three exceeding the recovery target for the quarter. This budget is in addition to the management fee that the Council is not expecting to receive this year.	0	0
Burial Services – Income from the sale of graves	(130)	(160)	(30)	Overachievement of income is primarily due to a significant increase in the sale of burial plots for those deceased that had resided outside of the District, for which a quadruple fee applies. This is likely to be due to a shortage of burial plot availability in other authority areas and religious requirements for the funeral to take place as soon as possible.	0	0
Regulatory Directorate Staffing Costs	3,738	3,570	(168)	Underspend is due to a combination of retirements and resignations, as well as several posts being held vacant due to the delay in the Local Plan and, in the case of Parking Services, the reduction in parking activity associated with Covid-19.	0	0
Electric Vehicles Charging Strategy	54	11	(43)	While work is ongoing, the development of the Electric Vehicle charging strategy and action plan has been delayed due to the focus on high street recovery and other priorities. The associated grant application will require specialist input and therefore a carry forward of the unspent budget is requested to finance the progress of the project in 2022/23.	43	0

Budget Area	Working Budget £k	Forecast Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2022/23 £k
Repairs & Maintenance Expenditure	260	179	(81)	The underspend in this year is due to both delays in delivery of works and works being completed at lower cost. Some of the works completed at lower cost is due to them being delivered in-house rather than through an external contractor. Overall, there is a forecast saving of £32k against planned maintenance jobs completed in this financial year, with a carry forward of £49k requested to complete works that have been delayed to 2022/23.	49	0
Total of explained variances	6,031	5,560	(471)		196	46
Other minor balances	11,963	11,924	(39)		0	(4)
Overall Total	17,994	17,484	(510)		196	42

- 8.2. Cabinet are asked to approve the differences highlighted in the table above (a £510k decrease in spend), as an adjustment to the working budget (recommendation 2.2). Cabinet are asked to approve the total estimated impact on the 2022/23 budget of a £238k increase, which includes the request to carry forward £196k of budget from 2021/22 to 2022/23 (recommendation 2.3).
- 8.3. The original approved budget for 2021/22 (and therefore working budget) included efficiencies totalling £286k, which were agreed by Council in February 2021. Any under or over delivery of efficiencies will be picked up by any budget variances (table 3 above). However, there can be off-setting variances which mean that it is unclear whether the efficiency has been delivered. Where this is the case, this will be highlighted. The forecast at the end of Quarter Two was that £286k of efficiencies will be achieved in 2021/22 and this forecast remains unchanged at Quarter Three.
- 8.4. At the start of the financial year, the working budget for 2021/22 included budgets totalling £719k that were carried forward from the previous year. These are generally carried forward so that they can be spent for a particular purpose that had been due to happen in 2020/21 but was delayed into 2021/22. At Quarter Two, it was forecast that £195k of the total carried forward will not be spent in 2021/22. At Quarter Three it is forecast that £318k of the budget carried forward will not be spent in the current financial year. The £123k increase in forecast unspent budget comprises:
- £27k - Single Issue Local Plan – the remaining £27k of the £40k budget carried forward is forecast to be unspent. As noted at Quarter Two, this carry forward budget was reallocated to fund the preparation of updated supplementary planning documents (SPDs). It was highlighted in the Month 8 revenue monitoring included within the 2022/23 Revenue Budget Report that the budget for SPDs would be unspent in this year, with the unspent budget requested to be carried forward.
 - £7k – Transport User Forum - the remaining £7k of the £47k budget carried forward is forecast to be unspent, as highlighted in the Month 8 revenue monitoring included within the 2022/23 Revenue Budget Report, with the unspent budget requested to be carried forward again to 2022/23.

- £54k – Strategic Priorities Fund - £54k of the £81k budget carried forward will not be spent in this financial year and has been requested to be carried forward in to 2022/23, as highlighted in table 3 above.
- £35k – Electric Vehicle Charging strategy – the £35k budget carried forward will not be spent in this financial year and has been requested to be carried forward in to 2022/23, as explained in table 3 above.

- 8.5. There are 4 key corporate 'financial health' indicators identified in relation to key sources of income for the Council. Table 4 below shows the performance for the year. A comparison is made to the original budget to give the complete picture for the year. Each indicator is given a status of red, amber or green. A green indicator means that they are forecast to match or exceed the budgeted level of income. An amber indicator means that there is a risk that they will not meet the budgeted level of income. A red indicator means that they will not meet the budgeted level of income. At the end of Quarter Two, two of the indicators were green and two of the indicators were red. At the end of Quarter Three, one of the indicators is green and three of the indicators are red.
- 8.6. The additional red indicator at Quarter Three relates to land charges income. The projected outturn was adjusted in the revenue monitoring estimates prepared at month 8, with actual search numbers in this year lower than the estimate used for the calculation of search fees and the corresponding income budget assumption. This is attributed to the Government phasing out in this year the temporarily reduced stamp duty rates applicable from July 2020.

Table 4 - Corporate financial health indicators

Indicator	Status	Original Budget	Actual to Date	Projected Outturn	Variance
		£k	£k	£k	£k
Planning Application Fees (including fees for pre-application advice)	Red	(953)	(971)	(853)	100
Land Charges	Red	(164)	(113)	(156)	8
Car Parking Fees	Red	(1,975)	(1,217)	(1,585)	390
Parking Penalty Charge Notices	Green	(573)	(453)	(573)	0

FUNDING, RISK AND GENERAL FUND BALANCE

- 8.7. The Council's revenue budget is funded primarily from Council Tax and Retained Business Rates income. The Council was notified by Central Government in February 2021 of the amount of New Homes Bonus, Lower Tier Services Grant, and Covid-19 Emergency Grant Funding it could also expect to receive in 2021/22 and planned accordingly.
- 8.8. Council Tax and Business Rates are accounted for in the Collection Fund rather than directly in our accounts, as we also collect them on behalf of other bodies. Each organisation has a share of the balance on the Collection Fund account. In 2021/22 the Council must make a contribution from the General Fund of £77k to the Council Tax Collection Fund and £7.9m to the Business Rates Collection Fund. Both amounts are included in the calculation of the projected General Fund balance in table 6 below (the £77k Council Tax contribution is included in the estimated 'Funding' total). These amounts follow from the estimated deficits for 2020/21 declared to government in January 2021. As initially highlighted in the 2021/22 Revenue Budget Report,

government legislation introduced in response to the impact of the Covid-19 pandemic on local government finances required the repayment of the estimated 20/21 Collection Fund deficits (after adjusting for certain elements), as estimated in January 2021, to be spread in equal instalments over the following three financial years.

- 8.9. An overall deficit of £56k is forecast on the Council Tax Collection Fund at the end of the year. £54k of this deficit total is the spreading amount of the deficit for 2020/21, as estimated in January 2021, and will be charged in 2023/24 accordingly. Therefore, a contribution from the General Fund of only the remaining £2k will be required in 2022/23, as was indicated in Appendix C to the Revenue Budget 2022/23 report. The £2k contribution results from a forecast in-year surplus of £178k, which almost entirely mitigates the impact of both the £54k 20/21 deficit spreading amount payable in 2022/23 and the increase (from the January 2021 estimate) in the 2020/21 deficit reported at Outturn 2020/21. The in-year surplus is indicative of the reality in the year comparing positively to the assumptions made in the calculation of the Council Tax base for 2021/22.
- 8.10. As declared in the NNDR1 return submitted to Central Government in January 2022, there is forecast to be a deficit on the Business Rates Collection Fund at the end of this financial year of £5.76million. This total includes the third and final 2020/21 deficit spreading amount of £416k that will be included in the surplus/deficit calculation for 2022/23 and repaid in 2023/24. The contribution to the Collection Fund required from the General Fund in the next financial year 2022/23 will therefore be £5.344m. Around £3.4m of this deficit is due to the impact in the current financial year of the application of business rate reliefs introduced in response to the Covid-19 pandemic, for which the Council receives equivalent compensating grant from government. Of the remainder, £416k is the second 20/21 deficit instalment and £1.65m is the adverse movement in the position between the January 2021 estimate and the outturn position recorded, as detailed and explained in the 2020/21 Revenue Outturn report. These amounts have been slightly offset by the level of collectable business rates being higher than anticipated when the estimate for 2021/22 was prepared in January. Any movement in the deficit position for 2021/22 between that estimated now and the outturn position at the end of the year will not change the £5.344million contribution required next year and will instead impact the funding position for 2023/24.
- 8.11. The Council receives compensation in the form of a grant from Central Government for business rate reliefs introduced, which goes into our funds rather than the Collection Fund. NHDC expects to receive a grant allocation of £1.794m for non-Covid related reliefs in 2021/22, which includes an estimated amount of £142k received as compensation for the Government's decision to freeze the business rates multiplier for 2021/22, as well as a further £3.4m as compensation for temporary rate reliefs introduced by government in response to the Covid-19 pandemic. The multiplier compensation is included in the funding total in table 6 below. The rest of the grant received will be held in reserve to fund the repayment of business rate collection fund deficits recorded. Some of the amount held in reserve will therefore be used to fund the £7.9m deficit repayment required in this year.
- 8.12. The Council is also subject to a business rates levy from Central Government as NHDC collects more in business rates than the baseline need determined by Central Government. In 2021/22 NHDC is a member of the Hertfordshire Business Rates Pool with five other Hertfordshire Local Authorities. The Pool was formed with the expectation that this should reduce the business rates levy amount otherwise payable at the end of the year. In 2020/21 the Council benefited from a 'pooling gain' (reduction to levy contribution) of £54k. There are however a range of potential outcomes for the current year, with the final outcome depending on the actual level of rates collected by both North Herts as well as the other collection authorities in the Pool. The Council's

contribution to the pool levy in 2021/22 will, in any case, be funded from the grant held in reserve and as such will have a net zero impact on the General Fund balance at the end of the year.

- 8.13. The Council has received from government non-ringfenced emergency grant funding in 2021/22 of £558k and a Council Tax Support Grant of £230k to help mitigate the financial impact of the Covid-19 pandemic. In addition, the MHCLG (now DLUHC) scheme inviting Local Authorities to apply for compensation for loss of sales, fees and charges income due to the impact of Covid-19 affecting demand was extended to cover to the end of the first quarter of 2021/22. The eligible income compensation for North Herts Council relating to 2021/22 is estimated at around £300k, as denoted in table 6 below. With all payments made under the scheme currently subject to a reconciliation process (including those reported in the last financial year), at the time of writing confirmation from DLUHC of the final compensation payment to the Council is outstanding.
- 8.14. The most significant financial impact of the pandemic in 2021/22 relates to the financial support required for SLL to maintain operations at the Council's Leisure Centres during the year. Estimated support was determined and approved by Council in January 2021, with additional budget provision of £2m included in the original revenue budget for 2021/22, which included the waiver of £817k of management fee income due to the Council. Based on the experience of the first three quarters of the financial year, the additional support required is now forecast to reduce from the budgeted total of £2m to a revised total of £822k.
- 8.15. The original revenue budget was however not adjusted for ongoing financial impacts in other service areas, with the risk instead reflected in the calculation of the minimum General Fund balance required at the start of the year. Table 5 below itemises those other service areas where the impact of Covid-19 in 2021/22 is significant.

Table 5 – COVID-19 Financial Impact on General Fund

Budget Area	Revenue Budget Impact reported at Q1	Revenue Budget Impact reported at Q2	Revenue Budget Impact reported at Q3	Total Working Budget Adjustment 2021/22	Eligible for Income guarantee *	Estimated Sales, Fees and Charges (SFC) Contribution	Balance not covered by SFC contribution
	£k	£k	£k	£k		£k	£k
Homeless Accommodation	160	72	0	232	No	0	232
Hitchin Town Hall	25	0	33	58	Yes	17	41
Car Parking Fees Income	102	288	0	390	Yes	78	312
Car Park Season Ticket Income	61	91	0	152	Yes	43	109
Trade Waste and Recycling	32	0	0	32	Yes	14	18
Total	380	451	33	864		152	712

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

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

Table 6 – General Fund impact

	Working Budget	Projected Outturn	Difference
	£k	£k	£k
Brought Forward balance (1st April 2021)	(8,865)	(8,865)	-
Net Expenditure	17,994	17,484	(510)
Funding (Council Tax, Business Rates, NHB, Lower Tier Services Grant)	(15,135)	(15,135)	0
Contribution from Funding Equalisation Reserve	(398)	(398)	0
Contribution to Business Rates Collection Fund	7,911	7,911	0
Funding from Reserves (including Business Rate Relief Grant)	(9,904)	(9,904)	0
Covid-19 un-ringfenced government grant funding	(558)	(558)	0
Covid-19 related income losses compensation to June 2021	(308)	(308)	0
Covid-19 Council Tax Support Grant	(230)	(230)	0
Carried Forward balance (31st March 2022)	(9,493)	(10,003)	(510)

- 8.17. The minimum level of General Fund balance is determined based on known and unknown risks. Known risks are those things that we think could happen and we can forecast both a potential cost if they happen, and percentage likelihood. The notional amount is based on multiplying the cost by the potential likelihood. The notional amount for unknown risks is based on 5% of net expenditure. There is not an actual budget set aside for either of these risk types so, when they occur, they are reflected as budget variances (see table 3). We monitor the level of known risks that actually happen, as it highlights whether there might be further variances. This would be likely if a number of risks come to fruition during the early part of the year. We also use this monitoring to inform the assessment of risks in future years. The notional amount calculated at the start of the year for known risks was £2,101k, and at the end of the third quarter a total of £567k has come to fruition. The identified risk realised in the third quarter relates to;

- Lower income generated from Hitchin Town Hall as the demand for bookings takes time to fully recover following the lifting of Covid-19 pandemic restrictions (as highlighted in table 3 above) - £33k.

Table 8 – Known financial risks

	£'000
Original allowance for known financial risks	2,101
Known financial risks realised in Quarter 1	(217)
Known financial risks realised in Quarter 2	(317)
Known financial risks realised in Quarter 3	(33)
Remaining allowance for known financial risks	1,534

9. LEGAL IMPLICATIONS

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

10. FINANCIAL IMPLICATIONS

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

11. RISK IMPLICATIONS

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

12. EQUALITIES IMPLICATIONS

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2. For any individual new revenue investment proposal of £50k or more, or affecting more than two wards, a brief equality analysis is required to be carried out to demonstrate that the authority has taken full account of any negative, or positive, equalities implications; this will take place following agreement of the investment.

13. SOCIAL VALUE IMPLICATIONS

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

14. ENVIRONMENTAL IMPLICATIONS

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

15. HUMAN RESOURCE IMPLICATIONS

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

16. APPENDICES

- 16.1. None.

17. CONTACT OFFICERS

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18. BACKGROUND PAPERS

- 18.1. None.

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Cabinet
22 March 2022

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: GREENSPACE MANAGEMENT STRATEGY 2022-2027

REPORT OF: Service Manager, Greenspace

EXECUTIVE MEMBER: Environment and Leisure

COUNCIL PRIORITY: BE A MORE WELCOMING, INCLUSIVE AND EFFICIENT COUNCIL /
RESPOND TO CHALLENGES TO THE ENVIRONMENT

1. EXECUTIVE SUMMARY

To agree the proposed Greenspace Management Strategy (GSMS) 2022 – 2027 as the basis for the Council's future strategic approach to maintaining the Greenspace provision in North Herts

2. RECOMMENDATIONS

2.1. That Cabinet is recommended to:

Adopt the Vision, Objectives and Aims for managing Greenspace as detailed at 7.5 below.

2.2. Review and adopt the Greenspace Management Strategy 2022-27 at Appendix A.

2.3. Agree the delegation for creating an Action Plan arising from the GSMS and an annual review of the Action Plan to the Greenspace Manager in consultation with the Executive Member for Environment and Leisure and the Service Director - Place.

3. REASONS FOR RECOMMENDATIONS

3.1. These recommendations are put forward to ensure there is an ongoing proactive and pragmatic approach for the future management and maintenance of Greenspace within North Herts for the period April 2022 – March 2027.

3.2. Additionally, the GSMS 2022 – 2027 provides the strategic link between the previous Greenspace strategies and the future demands placed upon North Herts Council, specifically; managing the environment and biodiversity, finance and planning while delivering high quality greenspace services to our existing and newly developed infrastructure.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. The alternative of not reviewing the GSMS would create a void for the future direction of Greenspace provision. This would potentially lead to conflict between various elements of demand resulting in an illogical application of decision making in the future. Therefore, no alternative options have been considered.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 The Executive Member for Environment and Leisure chaired the Project Board associated with the GSMS. The Deputy Executive Member for Environment and Leisure was also consulted on the development of the strategy. Additionally the Council's Political Liaison Board was consulted on 1 March 2022.
- 5.2 A consultation exercise was undertaken during January 2022 using online software. It was promoted via means of a press release, e-bulletin, website article and social media posts. The survey was also directly emailed to 31 stakeholders such as Friends of groups Parish Councils etc and to all councillors.

1082 responses were received and a copy of the report can be found as Appendix B .

- 5.3 When asked what they value the most about our parks and open spaces, over 80% of respondents said being in a natural environment, 46% said watching wildlife and 39% said somewhere to relax.
- 5.4 When asked what the council's top priorities for greenspace should be, 62% of respondents said to continue to maintain high standards of maintenance, 52% said to improve biodiversity by allowing more areas to go wild and 51% said managing litter.
- 5.5 Respondents were also asked if the council had to make savings in one area what would that be. 23% of respondents said grass cutting, 22% said paddling pools and 20% said flower beds.
- 5.6 Within the survey there were options for respondents to comment on what they feel the council's priorities should be regarding greenspace and also to highlight any concerns they have. Some key themes have been identified and our response to those can be seen in the table below:

Key themes of consultation responses

Theme	Comment	Response
Litter and dog fouling	Volume of litter and dog fouling	NHC runs regular campaigns about litter and dog fouling and has a good level of bin provision across the district. We will continue our awareness raising campaigns throughout the lifetime of the new strategy.
Allotments	Not sufficient provision and should be a priority	We will develop an allotment strategy and work with Planning to

		identify provision within future developments
Children's play areas	Poor quality / concerns over particular items of equipment.	The GSMS is increasing the capital budget for play areas from £75,000 to £180,000 annually. This will allow two play areas to be renovated annually
Anti-social behaviour and safety	Concern about personal safety, vandalism	We will work with colleagues and partner organisations to manage this issue as and where it is identified.
Biodiversity & wilding	Concern about the environment and wanting to do more	The contract review has identified areas to be amended that will reduce our carbon impact and are beneficial to the environment – these changes will commence in April 2022 with a reduced frequency of grass cutting in some locations
Future Development	Development on greenbelt	While development on areas of greenbelt is outside this strategy, officers are working with the planners and developers to ensure that where open space is adopted it is appropriate and at an acceptable standard, in the right location.

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 14 January 2022.

7. BACKGROUND

The review process was set up with a Project Board that consisted of the Executive Member Cllr Steve Jarvis and Deputy Executive Member Cllr Adem Ruggiero-Cakir. It also included officer representatives from across a number of directorates including planning, policy, finance and Place.

- 7.1 The previous GSMS expired at the end of March 2021. At this time and due to financial pressures, the review of the GSMS was placed on hold for 12 months pending a review of the Grounds Maintenance contract with John O'Conner Grounds Maintenance Ltd. The outcomes of the contract review were agreed at Cabinet June 2021, with many of its recommendations being implemented from 1 April 2022.
- 7.2 Significant financial savings were made as part of the contract review, however these have primarily been environmentally focused, for example reducing the frequency of highway verge cutting, which will in turn encourage biodiversity. This approach to considering environmentally sustainable actions has also been carried over into the GSMS.

7.3 A review of our existing principles for management of green spaces was carried out and in addition the GSMS also takes into consideration three key influences upon this service area which are:

- Planning - regarding the implications of future housing development from the Draft Local plan
- Our policy approach to meeting our climate change commitments and biodiversity aims
- Financial Pressures

7.4 It is proposed to adopt a new vision, objectives and aims for the delivery of the greenspace service.

Vision

Our vision is to provide high quality, well managed green spaces to meet the needs of our communities and which contribute positively to our sustainability priority

Objectives

The objectives of the GSMS flow from the overarching council priorities:

- To manage our greenspaces in an environmentally sustainable way, while also providing value for money for residents
- To provide a wide range of greenspaces which can be used for many recreational purposes
- To ensure greenspaces for future developments are developed with the needs of communities and sustainability in mind and deliver long term benefits.

Aims

Aim 1	To promote the central role that green spaces play in contributing to the District's health and well-being.
Aim 2	Provide and maintain quality green spaces in appropriate locations and ensure they are protected for future generations.
Aim 3	Use green spaces as a community resource that encourages active outdoor participation.
Aim 4	Promote the important role that green spaces play in contributing to the biodiversity, climate change, sustainability, culture and heritage within the District.
Aim 5	Allow local people to understand and influence the way the Green Spaces are developed and managed

Aim 6	Agree objectives for good design, management and maintenance, and provision in new housing sites.

8. RELEVANT CONSIDERATIONS

- 8.1. On 21st May 2019, the Council passed a climate emergency motion which pledged to do everything within its power to achieve zero carbon emissions in NHDC's district by 2030 As such the aims of the GSMS are aligned with the council's climate change strategy.
- 8.2. The GSMS will also need to provide clarity for future policies regarding the adoption of new green spaces through development and how these areas are to be maintained.
- 8.3. The GSMS builds upon the previous strategy and takes forward the Vision, Objectives and Aims of the Greenspace Service regarding the management and maintenance of our existing Greenspace infrastructure

9. LEGAL IMPLICATIONS

- 9.1. Within Cabinet's terms of reference at 5.6.1 are: "to prepare and agree to implement policies and strategies other than those reserved to Council" and "to approve those major service developments or reductions which also constitute Key Decisions." The Green Space Management Strategy falls within Cabinet's remit and this project has been noted on the Council's Forward Plan as a key decision.
- 9.2. The Council provide parks, recreation grounds and open spaces under its discretionary powers. Section 164 on the Public Health Act (1875) and Sections 9 and 10 of the Open Spaces Act Open spaces grant power to local authorities to acquire land for or to provide recreation grounds, public walks, pleasure grounds and open spaces and to manage and control them.
- 9.3. Section 23 of the Small Holdings and Allotments Act (1908) places a statutory duty on local authorities to provide a sufficient number of allotment plots.
- 9.4. The Public Health (Control of Disease) Act 1984 ('the Act') places a statutory duty on local authorities to arrange for a burial or cremation where no suitable alternative arrangements are being made.
- 9.5. Section 40 of the Natural Environment and Rural Communities (NERC) Act (2006) requires all public bodies to have regard to biodiversity conservation as part of the policy and decision making, commonly referred to as the 'Biodiversity duty'.

10. FINANCIAL IMPLICATIONS

- 10.1. The Council's revenue budget for 2022/23 reflects the savings achieved through the changes to the grounds maintenance contract. The resultant budget is sufficient for the current levels of service and maintenance of existing green space. Any additional levels of provision (e.g., additional provision within existing green space or extending the

amount of green space) would require additional budget. The strategy sets out the priorities for the adoption of new green space and references that this could be linked to property growth, and therefore funded from some of the growth in the Council tax base. The Council is currently forecasting an annual 0.5% growth in its tax base. In the medium term it is expected that tax base growth would be more than this, but the prudent assumption is that some of the growth will be required to fund growth in service provision (e.g. green space) beyond the direct costs of household growth (e.g. waste collection). This will need to be kept under review, as property growth and the need to fund additional service provision will not be directly correlated (i.e. in amount or timing). There may also be additional costs linked to the delivery of the Council's climate change strategy. Those costs will need to be agreed as part of the Council's budget process and will need to balance the cost with the environmental benefits, particularly when comparing to other climate change projects.

- 10.2. The Council's capital projections for 2022-27 (and further high-level forecasts for 2028-33) include the forecast capital costs required to deliver the strategy as set out. Some of the projects will have third party funding contributions, and this is included in the capital spend forecasts. Some of the capital schemes will be contingent on that funding being available, and therefore maybe delayed until it is available.
- 10.3. The Strategy reflects the financial savings that have been achieved as part of the recent contract renewal, which have also delivered other environmental benefits. The Strategy is then generally based on continuing with the same cost base moving forwards. As set out in financial forecasts, the Council could be required to deliver annual budget savings of £1.5m within the next 5 years. It will be for the Council to determine how those savings would be delivered, and there has been a commitment to carry out public consultation as part of that decision process. This may mean that there will need to be further changes to the Green Space contract/ strategy within the 5-year period. Those changes could be focused on any areas that are lower priority within the strategy.

11. RISK IMPLICATIONS

- 11.1. The adoption of a Strategy helps to determine the priorities for Green Space within the District. In turn that helps to ensure that resources are effectively employed to deliver those priorities. In general the Strategy is in line with the existing Strategy and does not introduce any new significant risks. The increased capital investment in play area refurbishment would tend to reduce the risk to the Council.

12. EQUALITIES IMPLICATIONS

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

13. SOCIAL VALUE IMPLICATIONS

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

14. ENVIRONMENTAL IMPLICATIONS

- 14.2. Environmental Impact Assessment has been undertaken. This Strategy has been considered and no relevant adaptations mitigation measure that could be applied that have not been considered already as part of ongoing Planning considerations or already covered in the previous Grounds Contract Review

15. HUMAN RESOURCE IMPLICATIONS

- 15.1 There are no direct Human Resource impacts as a result of this report.

16. APPENDICES

- 16.1 Appendix A Greenspace Management Strategy 2022 – 2027

- 16.2 Appendix B Summary of consultation responses

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18. BACKGROUND PAPERS

- 18.1 Greenspace Management Strategy 2017 - 2022

Greenspace Management Strategy Proposed Document Layout

1. Forward
2. Introduction
3. Background
4. Review of Greenspace management strategy 2017-2021
5. Looking forward – Vision, aims and objectives
6. Specific areas of focus
 - Environment and Biodiversity
 - Planning
 - Finance
7. Conclusions and Outcomes

1. Forward

Greenspaces, whether they are parks, commons, playing fields, woodlands or nature reserves are one of the things that make North Herts such a great place to live and work. Our health and wellbeing, our sense of pride in our local area and our enjoyment of being outdoors are all affected by the quality of these spaces which is why it is so important that they are managed properly.

Of course, apart from contributing the quality of our lives green spaces also make a major contribution to the wellbeing of other species, increasing biodiversity at a time when this is under so much pressure and helping to reduce the impact of carbon emissions and air pollution.

Surveys show that 82% of residents use our parks and open spaces. You will find many reasons for this highlighted in this document. This strategy sets out how we intend to continue to maintain the quality of North Hertfordshire's green spaces into the future. Like councils across the country, we have to do this with ever reducing resources, but plans set out here will enable us to do that as well as increasing the contribution that they make to the wider environment of the district.

People in North Herts are proud of the green spaces available to them, and I am proud to be able to present a strategy that will maintain and improve those spaces for future generations.

Councillor Steve Jarvis

2 Introduction

This strategy sets out our vision, aims and strategic objectives for the management of our greenspaces for the period 2022-27.

The strategy relates to the management of greenspace that is owned by North Herts Council, or that we maintain on behalf of third parties. It also includes the management and provision of all services within those greenspaces such as play areas and burials.

This strategy sets out high level principles for management of greenspace. It does not cover day to day maintenance of our parks and open spaces. The delivery of this service is carried out under a contract with John O'Conner Ltd. The contract was reviewed in 2021 and a new contract period will operate from April 2022 to March 2027. The contract review identified options for financial savings while delivering positive outcomes for improving biodiversity and reductions in carbon emissions. This is in line with the aims of this Strategy.

Through the vision, strategic aims and objectives outlined the aim is to ensure that the Greenspace Service continues to be regarded as a high quality and highly valued service of North Herts Council, delivering best value for our residents.

3. Background

What is Greenspace?

- 3.1 Greenspace is the natural environment that provides the setting in which we live, work and play. It makes a major contribution to raising the quality of life of both residents and visitors. This is made up of our parks and open spaces, highway verges, woodlands, outdoor sports facilities and all the small incidental areas found between buildings and highways.

Why is greenspace important?

- 3.2 Greenspace is an important component to create a balance between the urban and rural environments found in North Herts and has been recognised as having an essential role for the “quality of life” found in the District through:
1. Promoting healthier communities and reducing health inequalities
 2. Enabling children and young people to develop social skills, test their boundaries, explore, and learn about nature and wildlife
 3. Improving the life chances of people living in more deprived areas
 4. Creating safer and stronger communities
 5. Improving the image of and pride in the different settlements
 6. Creating cleaner and greener communities
 7. Enhancing biodiversity
 8. Mitigating and adapting to climate change
 9. Recognising the value of the historic environment
 10. Avoiding, managing and reducing flood risk.
- 3.4 Historically North Herts Council has predominately provided the maintenance and development of green space within its four urban towns of Hitchin, Letchworth, Baldock and Royston.
- 3.5 In 2009 the Council launched its first Green Space Management Strategy (GSMS). There have been subsequent updates and revisions with the latest being 2017 – 2021. This strategy will take forward the principles of best practice for greenspace management into the future from 2022 – 2027.

4. Review of Previous Greenspace Strategy 2017 – 2021

- 4.1 As part of the last Greenspace Management Strategy, a series of policies on different aspects of the service were agreed. These can be found as Appendix 1. below. These policies have all been reviewed as part of the development of the new strategy.
- 4.2 The last Strategy was developed against a backdrop of challenging economic circumstances for the Council and therefore while continuing to invest in play areas, this was limited to only one play ground per year. Equipment was also removed from some of the less frequently used play areas following consultation.
- 4.3 Greenspace investment in the last period was prioritised in our four key urban areas of Baldock, Hitchin, Letchworth and Royston and this can be demonstrated by the investment in some of our urban parks and open spaces, as shown in the table below.
- 4.4 Working with partners has been critical to the successful management of our open spaces, in particular with Countryside and Rights of Way who manage some of our local nature reserves on our behalf. Working alongside volunteer groups has also been a highly successful approach.
- 4.5 We have prioritised high standards of maintenance across the district and this is evidenced through our approach to seeking Green Flag accreditation at five of our sites.

4.6 Key Achievements of the last strategy period

The Greenspace Strategy for 2017-21 delivered the following actions

Item	Cost
Extend the roadways and footpaths at Wilbury Hills Cemetery Letchworth	£35,000
Extend the car park at Walsworth Common Hitchin	£30,000
Renovate the play area at Jackman's Central Letchworth	£75,000
Equipment replacement at Brook View play area Hitchin	£10,000
Renovate the play area at Great Ashby District Park	£75,000
Renovate the play area at Chiltern Road Baldock	£10,000
Renovate play area at King George 5 th Rec Hitchin	£35,000
Renovate play area at Howard Gardens Letchworth	£75,000
Renovate play area at Holroyd Crescent Baldock	£10,000
Renovate play area at Archers Way Letchworth	£10,000
Football pitch improvements at Walsworth Common Hitchin	£110,000
Provide a new Multi Use Games Area at Bancroft Hitchin	£180,000
Renovate and improve footpaths and entrances at Pryor's Wood Great Ashby	£25,000
Introduced new fitness equipment to Priory Memorial Gardens play area Royston	£35,000*
Introduced new fitness equipment to Baldock Road Rec Letchworth	£35,000*
Replaced historical perimeter bollards to Butts Close Hitchin	£20,000*
Replaced the benches Butts Close Hitchin	£10,000*
Brought Hill End and Barkway Chalk Pits back into public use and safe access	£15,000*
Norton Common Skate park and flood lights	£210,000*
Introduced drinking fountains to 4 Town Centre Parks	£25,000*
Partially replaced fencing around the bowling greens at Norton Common, Letchworth	£15,000
Introduced permanent Pickleball Courts to Norton Common, Letchworth	£4,000
Facilitated re-leveling works to the bowling greens at Norton Common, Letchworth	£4,000

* Figure quoted was possible due to external funding opportunities

5. Looking Forward – Vision, aims and objectives

5.1 Vision

Our vision is to provide high quality, well managed green spaces to meet the needs of our communities and which contribute positively to our sustainability priority.

5.2 Objectives

The Council has set three new priorities for 2022-27 which are:

- People first
- Sustainability
- A brighter future together

The objectives of the GSMS flow from these priorities:

- To manage our greenspaces in an environmentally sustainable way, while also providing value for money for residents
- To provide a wide range of greenspaces which can be used for many recreational purposes
- To ensure greenspaces for future developments are developed with the needs of communities and sustainability in mind and deliver long term benefits.

5.3 Aims of the strategy

5.4 The overarching aim of the GSMS is to build on our achievements and provide focus for the Greenspace service for the period 2022-27 and beyond.

5.5 Specifically the GSMS will focus on:

- Supporting the council's Local Plan with regards public open space provision within new developments or providing offsite improvements.
- Optimising our current public open space provision to a high standard
- Ensuring our services provide value for money for residents
- Managing environmental and climate influences that may require seeking new ways to deliver the service
- Identifying opportunities to generate income

5.6 The aims of the GSMS 2022 – 2027 are set out below:

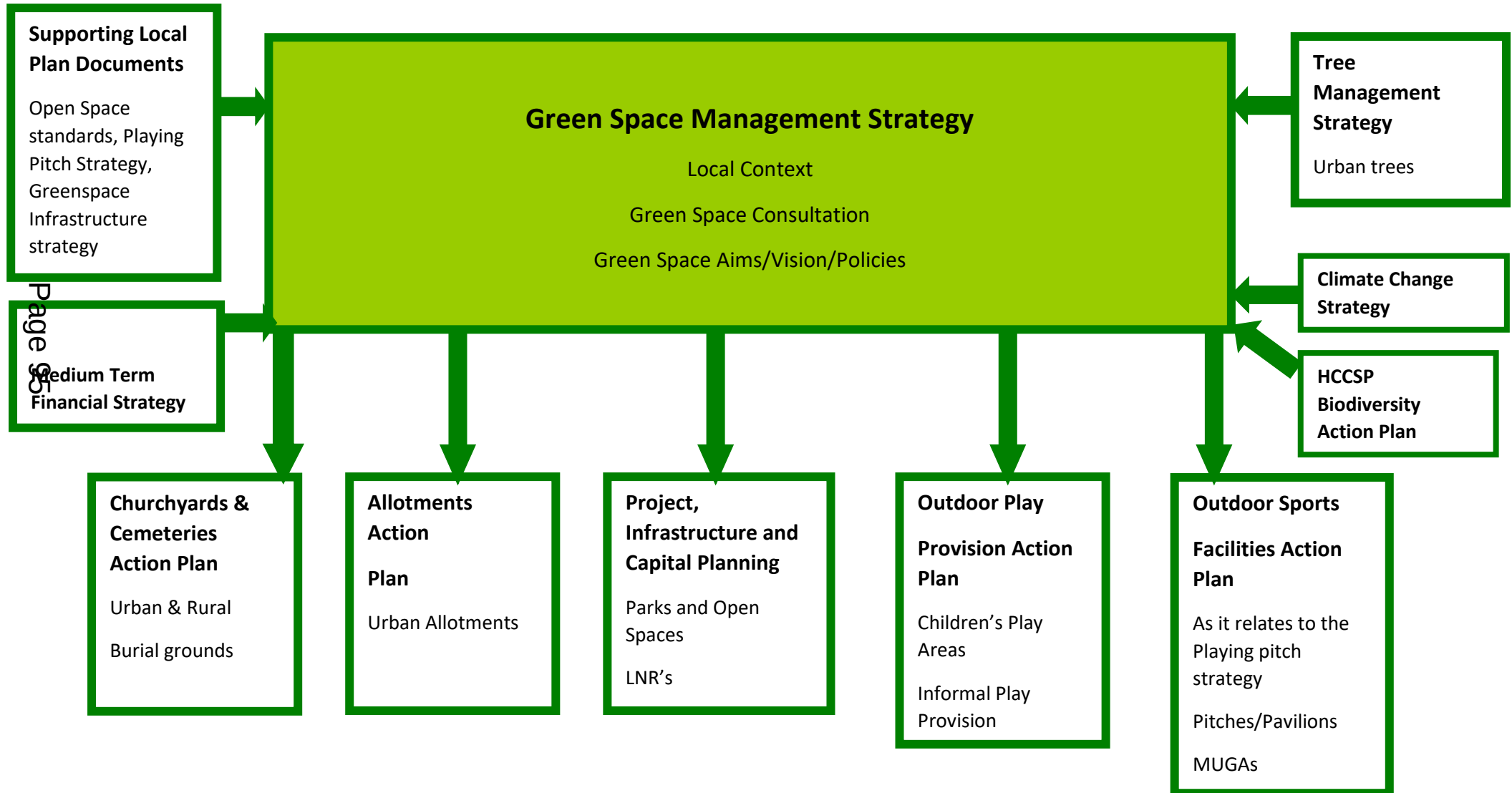
Aim 1	To promote the central role that greenspaces play in contributing to the District's health and well-being for all residents.
Aim 2	Provide and maintain quality green spaces in appropriate locations and

	ensure they are protected for future generations.
Aim 3	Use greenspaces as a community resource that encourages social interaction, contact with nature and active outdoor participation.
Aim 4	Promote the important role that green spaces play in contributing to biodiversity, while adapting to climate change, improving sustainability, culture, and heritage within the district.
Aim 5	Allow local people to understand and influence the way that greenspaces are developed and managed
Aim 6	Agree objectives for good design, greenspace planning, management and maintenance, and provision in new housing sites that reflect the landscape, townscape and heritage character and qualities of the district.

6 Specific areas of focus

Diagram showing links to the GSMS and to identify where the GSMS sits in association with existing strategies and policies

Green Space Management Strategy Flow Chart



- 6.1 In order not to limit or constrain other evolving policies or strategies, the above diagram depicts where the GSMS will sit in relation to other strategies, action plans or policies that affect the greenspace service. For example, the Playing Pitch Strategy is due to be updated separately by colleagues and therefore the link with the GSMS is only identified at this stage.
- 6.2 This strategy has three key areas of focus:
- Planning
 - Environment & Biodiversity policy
 - Finance
- 6.3 The other areas identified in the diagram above e.g. allotments and outdoor play, will also require their own strategies and action plans. These will be reviewed as part of the action plan arising from this strategy.
- 6.4 Planning**
- 6.5 The importance of good quality green space or 'green infrastructure' in the planning system has significantly increased over recent years. The climate crisis, biodiversity crisis and impacts of the Covid pandemic means we need multi-functional green space now more than ever to address the challenges of the physical and natural environment we live in.
- 6.6 The National Planning Policy Framework (NPPF) requires strategic policies in local plans to set out an overall strategy for the pattern, scale and quality of development and make sufficient provision for the conservation and enhancement of the natural, built and historic environment, including landscapes and green infrastructure and planning measures to address climate change mitigation and adaptation. (NPPF para 20).
- 6.7 National Planning Practice guidance promotes the following benefits of green infrastructure:
- Building a strong competitive economy
 - Achieving well-designed places
 - Promoting healthy and safe communities
 - Mitigating climate change, flooding and coastal change
 - Conserving the natural environment
- 6.8 Green infrastructure also has an important role in enhancing the setting of, access to and revealing of heritage assets within the landscape.
- 6.9 The planning system plays an important role in environmental protection, with one of its three overarching objectives enshrined in national planning policy being to protect and enhance the environment.
- 6.10 Section 40 of the Natural Environment and Rural Communities Act 2006 places a duty on all public authorities in England and Wales to have regard, in the exercise of their functions, to the purpose of conserving biodiversity.
- 6.11 Meanwhile, the Environment Act 2021 will (through amendments to the Town and Country Planning Act 1990) create a statutory and mandatory requirement for all new developments to provide a 10% biodiversity net gain. The Council will be responsible for securing this provision and also have regard to Nature Recovery Networks, a

national network of wildlife-rich places which will be planned on a strategic scale to increase and restore nature.

- 6.12 There are several strategic policies in the emerging local plan which seek to protect and enhance the district's green infrastructure and ecological network. The Council has approved the use of the Fields in Trust (Guidance for Outdoor Sport and Play. Beyond the Six Acre Standard) November 2020 open space standards in determining the amount of type of new green space required in new development.
- 6.13 A series of evidence base documents supports the implementation of these policies, the key ones being:

Playing Pitch Strategy and Action Plan 2018

Open Space Review 2016

North Herts Local Cycling & Walking Plan (LCWIP)

North Hertfordshire Green Infrastructure Strategy 2009

- 6.14 These documents inform the decision -making process on what, how much and where new green space/infrastructure should be located to support new development. The needs and demands for open space, sport and recreation facilities can change over time. As such existing studies will require reviewing and updating alongside consultation with local organisations to ensure local evidence is robust and can effectively inform decision-making on the location, type and amount of new green space required through new development. Consultation with the relevant national governing bodies and Sport England will be undertaken in relation to playing pitch and outdoor sports provision. As part of the review process, a new Green Infrastructure Strategy is due to be put in place, which will mean it is necessary to update the Green Space Management Strategy to reflect investment and management needs

6.15 Environment and Biodiversity

North Herts Council Climate Change Strategy

- 6.16 North Herts Council declared a climate emergency on 21 May 2019 asserting commitment toward climate action. The Council's [Climate Change Strategy](#) (reviewed in 2021) acts as a foundation upon which actions arising from other service areas across the council are built.
- 6.17 The key objectives of this strategy are:
- Achieve Carbon Neutrality for the Council's own operations by 2030 (at least Scope 1 and Scope 2).
 - Ensure all operations and services are resilient to the impacts of climate change
 - Achieve a Net Zero Carbon district by 2040
 - Become a district that is resilient to unavoidable impacts of climate change
- 6.18 The Council's Climate Change Strategy primarily focuses on carbon reduction, and greenspaces have an important role to play in carbon capture through vegetation and soils. This carbon capture provides opportunities to offset emissions, and the Council's Climate Change Strategy's Proposed Actions sets out actions relating to offsetting opportunities presented by greenspace management . Forward planning

will ensure that the greenspace management service will align with the Council's target to achieve carbon neutrality across all Council operations by 2030.

- 6.19 Greenspaces can have an indirect impact upon carbon emissions and can contribute to the Council's target to achieve a net zero carbon district by 2040. For example, paths and cycle lanes through safe and accessible greenspaces can encourage a shift to active transport. Greenspaces are also proven to assist in the regulation of temperature, reducing the urban heat island effect by providing shade and evaporative cooling. This has the potential to reduce the need for heating and air conditioning and the emissions they produce.
- 6.20 Local greenspaces will have a role to play in adapting to the impacts of climate change in the district. The predicted impact of climate change locally includes hotter and drier summers, warmer and wetter winters, and more extreme weather events. Over the past ten years, the UK has already experienced a variety of climate-related extremes including major floods and heatwaves. As well as the ability to regulate temperatures, green spaces have the potential to intercept, store and filter water. This can reduce the risk of flooding and improve water quality in streams, ponds and rivers.
- 6.21 The impacts of climate change are likely to affect the district's nature and greenspaces. To ensure resilience, consideration must be given to heavy precipitation, flooding, damage caused by excessive heat, and other climate related impacts on local plant species and greenspace operations. It is critical that the service and operations remain flexible as the future impacts of climate change are uncertain and the potential for more extreme weather may not be easily planned for.
- 6.22 Whilst the Climate Change Strategy relates primarily to the reduction of carbon emissions, the Council is enabled to address a wider range of issues relating to climate change. These include mitigation, adapting to the impacts of climate change and environmental matters through its other policies and plans, its membership of county-wide partnerships, and its process of assessing the environmental implications of new decisions and actions. Given the intrinsic link between the environment, climate change, and greenspaces, the environmental implications assessment process will play an important role in ensuring that greenspace management will continuously assess environmental implications to identify positive impacts and adapt to minimise negative impacts as much as possible.

HCCSP Biodiversity Strategic Action Plan

- 6.23 North Herts Council is part of the Hertfordshire Climate Change and Sustainability Partnership (HCCSP) which is comprised of all ten district councils within Hertfordshire; Hertfordshire County Council; and the Hertfordshire Local Enterprise Partnership (LEP). The partnership's aim is to work collaboratively to deliver action on climate change and environmental issues within Hertfordshire.
- 6.24 In relation to the Greenspace Management Strategy, the HCCSP has produced a [Biodiversity Strategic Action Plan](#), which is also the principal strategic level document relating to biodiversity for North Herts.
- 6.25 Biodiversity refers to the variety of plant and animal life in the world or in a particular habitat or area, where a high level of diversity is typically considered to be preferable. Biodiversity is important because having a wide range of animals, plants and microorganisms helps keep the ecosystems that we all rely on for clean water and

air, food, medicines, and protection against disease and extreme weather events, functioning and healthy.

- 6.26 The Biodiversity Strategic Action Plan was produced in response to continuing declines in species and habitat, both locally and nationally, and seeks to initiate urgent action to help restore and enhance biodiversity across Hertfordshire.
- 6.27 In recognition of the important role that local authority greenspace has to play in supporting biodiversity, the Biodiversity Strategic Action Plan includes actions relating to the procurement of trees and plants so as to ensure biosecurity; the minimisation and exclusion by local authorities of peat compost and pesticides; a review of allotment strategies to ensure biodiversity-positive behaviours are promoted; identification and implementation of opportunities to enhance biodiversity and pollinator habitats; and a review of opportunities to increase tree canopy cover.

Financial Pressures

- 6.28 The Council uses two funding streams for green space. **Revenue** which is similar to money held in a current bank account is used for the day-to-day maintenance of green space. **Capital** which is similar to money held in a savings account is used for improvements to green space (e.g. adding new infrastructure, facilities or equipment, or extending the life of what is already there
- 6.29 The current Medium Term Financial Strategy (MTFS) reflects the funding forecasts for the Council, which are highly uncertain. The expectation is that the Council may be faced with a significant reduction in the revenue funding that it receives, whilst dealing with the impact of inflation on our costs and uncertainty over our income (particularly in relation to the continuing impacts of Covid-19).
- 6.30 Over the medium term (within the next five years) it is expected that the Council will need to start borrowing to fund its capital spend, as it will have used up its capital reserves. This will mean that there will be a revenue cost associated with capital expenditure. This will be an annual cost of around 3-5% of the borrowing required.
- 6.31 The MTFS recognises the financial challenges that the Council faces, and determines the following key strategies to address these pressures:
- Deliver existing services at a lower cost, where efficiencies are available and especially linked to the use of automation and technology
 - Generate (new or additional) income from the services that we are able to charge for
 - Generate income from commercial activities
 - Where necessary, reducing the level of service
- 6.32 Given the revenue impacts of capital spend, it is also necessary to challenge the need for capital expenditure. If the capital expenditure is being incurred to generate income, then the income must exceed the revenue cost of that capital spend.

- 6.33 It is possible that achieving a balanced budget will require consideration to reduce the level(s) of service that the Council currently provides. So, the MTFS states that when the future funding of the Council is more certain (and therefore the scale of the funding gap is known), that the public will be consulted on the various options available to achieve a balanced budget. That feedback will be considered in making those difficult decisions.

7. Conclusions and Outcomes

7.1 An annual action plan will be created which will detail the key activities relating to the Strategy. The action plan will be considered by the Executive Member and Service Director to direct the work programs for the Greenspace team on an annual basis.

7.2 The table below highlights changes to previous policies as well as where existing policies will be carried forward.

7.3 Table of Actions/Conclusions – Outcomes as a Comparison against the previous strategy

Item	Previous Strategy 2017 - 2021	New (to be adopted) Policies 2022 - 2027
Parks and Gardens	Town Centre Parks remain the highest priority for future investment and maintenance	To continue
Playground provision	Renovate one site annually with a budget of £75,000	Increase budget to £180,000 annually and identify sites annually with the agreement of the Exec Member and Service Director
Amenity Greenspace	To retain the value of green space and trees. Within financial constraints provide adequate infrastructure for other activities	To continue and to promote the value of our existing green space. To continue to deliver high standards of maintenance that can also be extended into any new green space adopted through development gains
Burials	Wilbury Hills Cemetery is the District Wide provision for burials as existing resources reach capacity	This is to continue To include updating of the previous Cemeteries Strategy
Environment & Biodiversity	Local Nature Reserves and Green Corridors	In addition, to continuously consider the environmental impacts, either positive or negative, of our actions to maintain our parks and open spaces. This could include the expansion of areas left uncut and only mown once annually as an example To continuously review the options and opportunities to reduce or cease the use of Pesticides, specifically Glyphosate based herbicides. Therefore, to consider alternative methods of weed control. To continue to explore opportunities to introduce more habitats to improve biodiversity and therefore increase the areas maintained on a wilding basis. To consider and work proactively to deliver the positive gains that can be delivered through biodiversity net gain
Accreditation	Annual submission for Greenflag accreditation at 5 sites	This is to continue

Planning and New Developments	Adoption of developed open spaces will <u>not</u> be undertaken by the District Council unless there is a specific reason to do so, such as sensitive environmental habitat or contribution to our existing provision beyond the area of development. Otherwise, it is expected that open spaces within a new development will be maintained by a private management company.	In the planning for new development the District Council will continue to aim for all sections of the community to have access to green space and experience its multiple benefits. Green space should be freely accessible to all the public and not be reserved for the private use of residents. The Council will consider the adoption and management of new strategic green space in the following circumstances: • It is located within the four main towns of Baldock, Letchworth, Hitchin and Royston (and Great Ashby) and complements existing service maintenance operations • The green space is meeting a current deficiency and new provision would meet the needs of existing and new residents • The green space is meeting a strategic gap in the green space network and improving the quantity, quality and connectivity of the district's green space network • Where longer term revenue streams such as Council tax can be effectively recycled back into the locality as part of place investment • Where other corporate objectives can be met such as climate change, biodiversity and health and well-being For smaller green spaces and new green space in other settlements other options should be considered and agreed on a site by site basis such as Parish Councils and private management companies. The greenspace manager (and officers leading on climate change and biodiversity) will work collaboratively with planning colleagues regarding new green space provision in large development projects through the master
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		planning process. The aim will be to identify optimal green space improvements and provision to improve or diversify the existing portfolio of biodiversity)
Allotments	To provide a cost neutral provision while promoting the benefits of having an allotment	To continue but also to manage existing resources to improve the infrastructure within our existing allotment provision and to ensure that comparable standards of service are available across all allotment sites managed by NHC. Consequently, update the former Allotment Strategy. To work with other providers of allotments within the District such as Town Councils, Parish Councils and local associations to retain and expand allotment provision in the future where a demand has been identified. To work with colleagues in Planning to monitor fluctuations in demand especially those increases brought about through development to ensure that new provision is provided to meet that demand in the most appropriate location.
Natural and Semi Natural Greenspace	To support key partners such as Countryside and Rights of Way (CRoW) and to work with volunteers to deliver the actions agreed for site specific management plans.	To continue
Green Corridors	To support key partnerships such as with Herts Highways and CRoW and work with stakeholders to provide habitat and recreational improvement to greenspace	To continue
Rivers & Culverts including Kimpton	Not included within document	to continue to manage the risk by working with external partners and ensuring that our locations of responsibility are managed appropriately to minimise the risk of flooding. In addition to maintain existing ditches, culverts and water courses so their flooding risk is managed. To

		also recognise the importance of chalk streams and work towards improving the habitats they support
Trees	Regime of inspection and maintenance in accordance with the Tree Strategy	Review and update the Tree Strategy as appropriate
Project Management	Pre-determined list of works as agreed at the commencement of the strategy	Practical projects to be funded from Capital, S106 or External Grant sources are to be planned to use the 10-year forecasting model that will be updated annually. This model will support decisions made for the Service and Financial Planning process, support Planners with their negotiations with developers and aid the applications for external grant funding The forecasting model will allocate funding for Capital investment into at least two playgrounds annually. The locations to receive this investment will be selected via consultation with the Executive Member and Service Director with recommendations based upon the Annual Play Inspection Surveys, usage, and vandalism. To consider any opportunities that will generate income for the District Council.
Outdoor Sport Pitch Provision	To take into consideration the Playing Pitch Strategy, retain adequate key green space sporting facilities to meet the needs of the local community within available budgets.	To continue provide the current levels of provision to support local need. However, this will not increase in volume without significant evidence of increased demand. Standards of maintenance will be sufficient for the provision of community facilities. Where individual clubs require standards of provision above our baseline, the club will be able to invest in the required improvements at their cost. However, the facility will remain open to public use when not in use by the club for their activities. Facilities will be considered for removal if demand reduces to such a level that facilities are not used for any period.

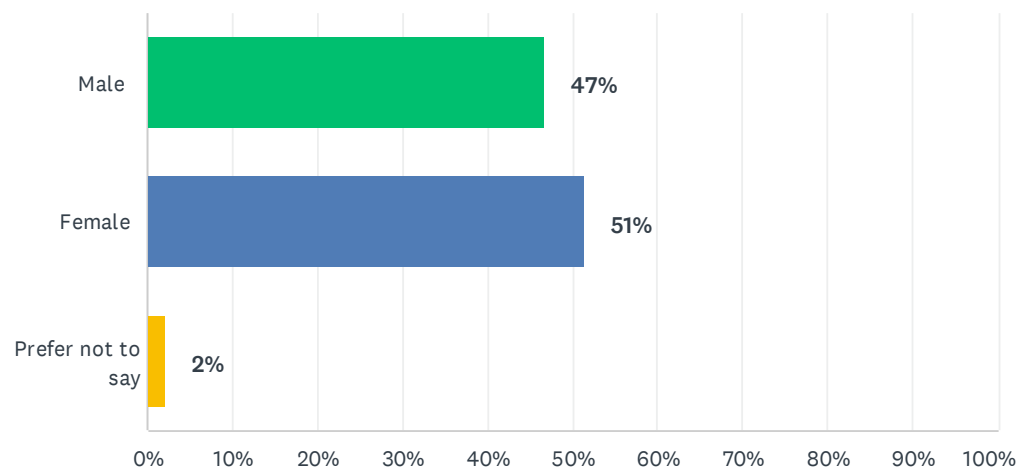
		To work with colleagues in Planning to update and progress the Playing Pitch Strategy and its outcomes
Highways and Settle Housing	To maintain consistency across the urban areas of Royston, Baldock, Letchworth and Hitchin & Great Ashby a uniform standard of grass cutting is applied. Herts Highways finances six cuts annually, however the current standard applied by NHDC is for up to 12 – 14 cuts depending upon the growing season.	To continue with the exception that following a contract review (Cabinet June 2021) grass cutting on highway locations will be reduced to a maximum of 9 cuts and a minimum of 6 cuts depending upon the growing season.
Income Generation	This is achieved via three main routes: • Herts Highways Agency Agreement • Settle Service Level Agreement • Burials In addition, income is also achieved through: • Howard Park Kiosk • Production of Land Licenses • Ice cream concessions • Fairs and Circuses • Hire of Multi Use Games Areas (Muga's) • Dog bins for parishes and Settle Housing • Roundabout sponsorship • Allotments • Fitness groups and business hire of open spaces	To continue

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Q1 What is your gender?

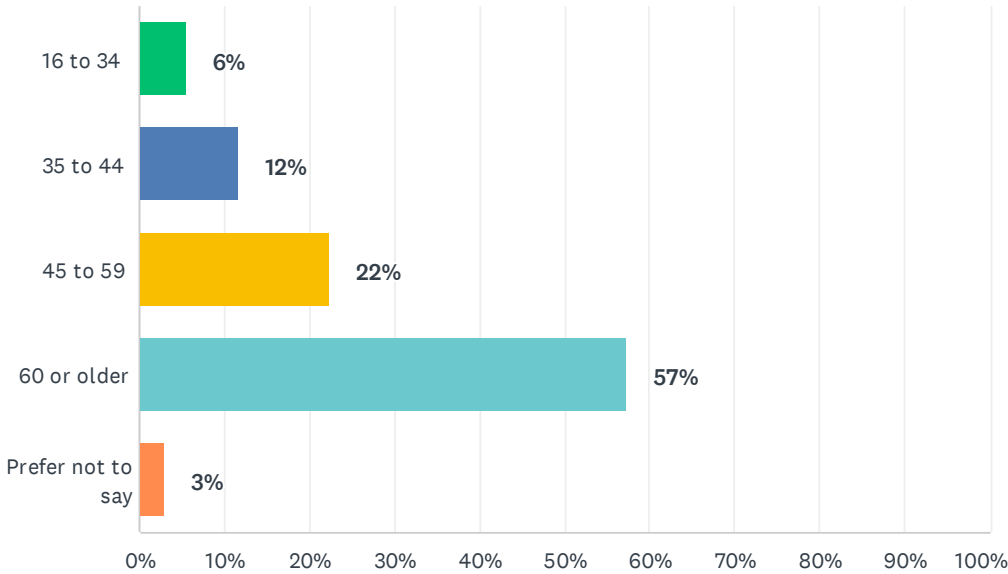
Answered: 1,082 Skipped: 0



ANSWER CHOICES	RESPONSES	
Male	47%	505
Female	51%	555
Prefer not to say	2%	22
TOTAL		1,082

Q2 What is your age?

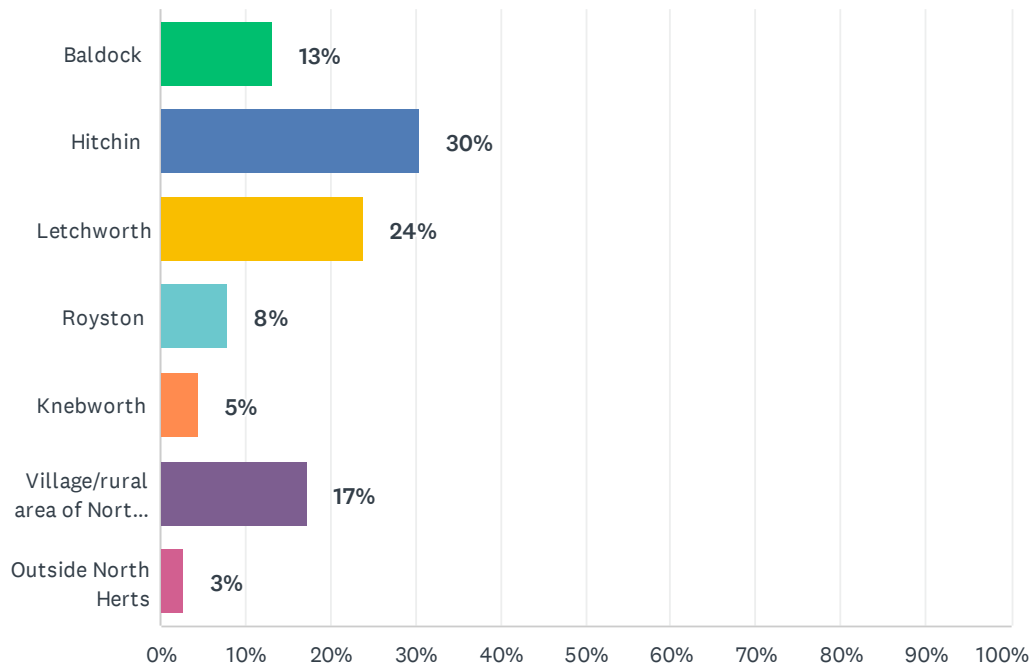
Answered: 1,082 Skipped: 0



ANSWER CHOICES	RESPONSES	
16 to 34	6%	60
35 to 44	12%	126
45 to 59	22%	243
60 or older	57%	620
Prefer not to say	3%	33
TOTAL		1,082

Q3 Where do you live?

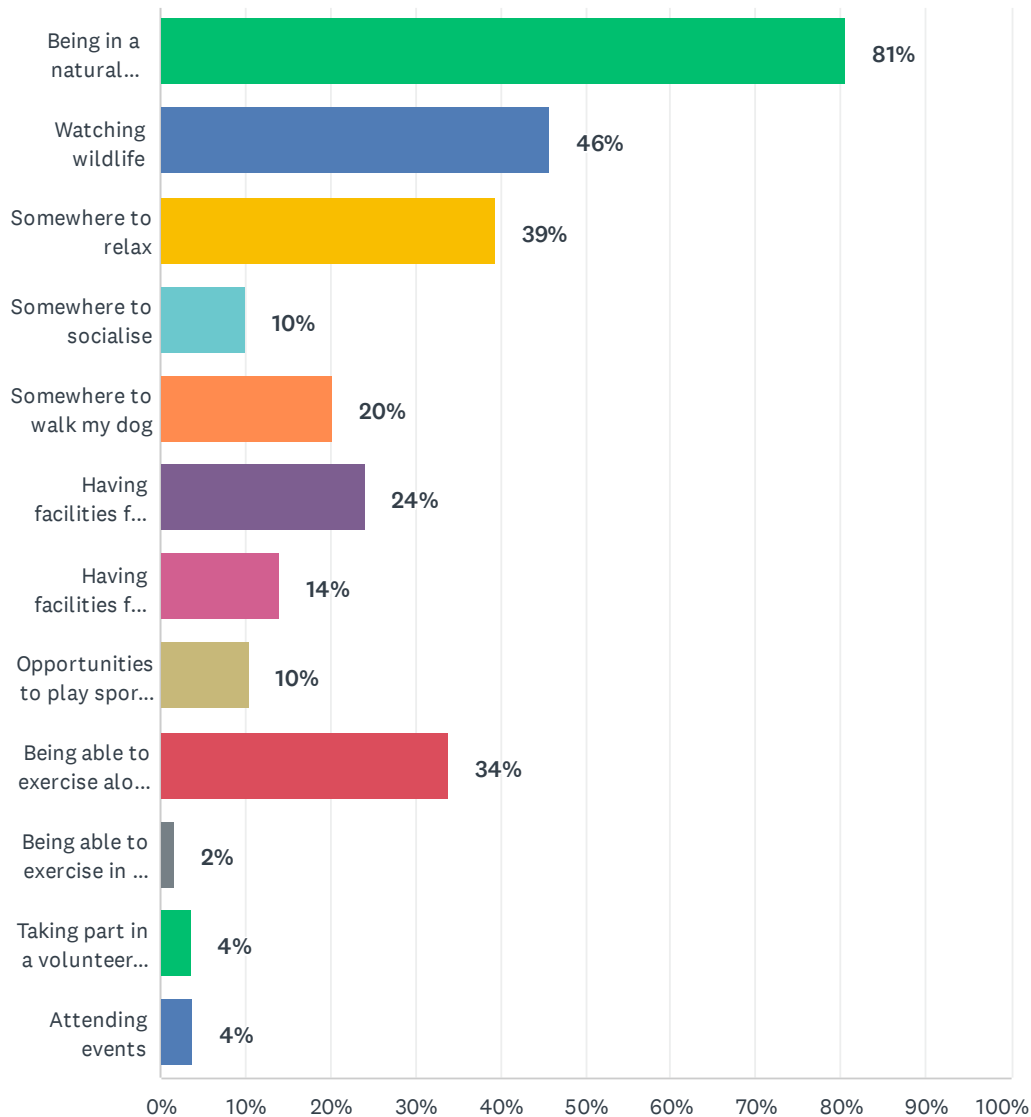
Answered: 1,082 Skipped: 0



ANSWER CHOICES	RESPONSES	
Baldock	13%	144
Hitchin	30%	330
Letchworth	24%	258
Royston	8%	85
Knebworth	5%	49
Village/rural area of North Herts	17%	187
Outside North Herts	3%	29
TOTAL		1,082

Q4 What do you value most in our parks and open space? Please pick the top 3 things you value most:

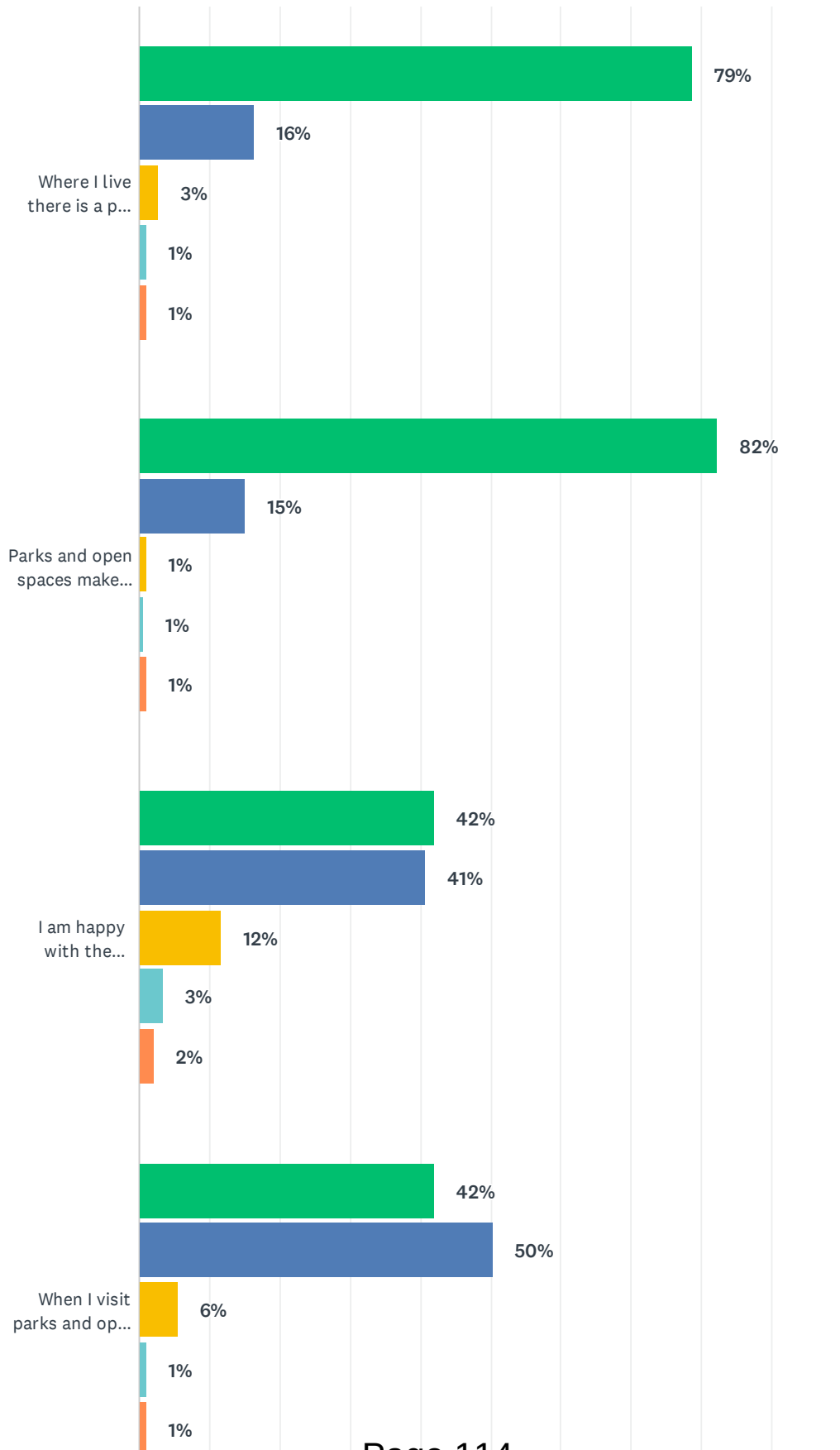
Answered: 1,044 Skipped: 38



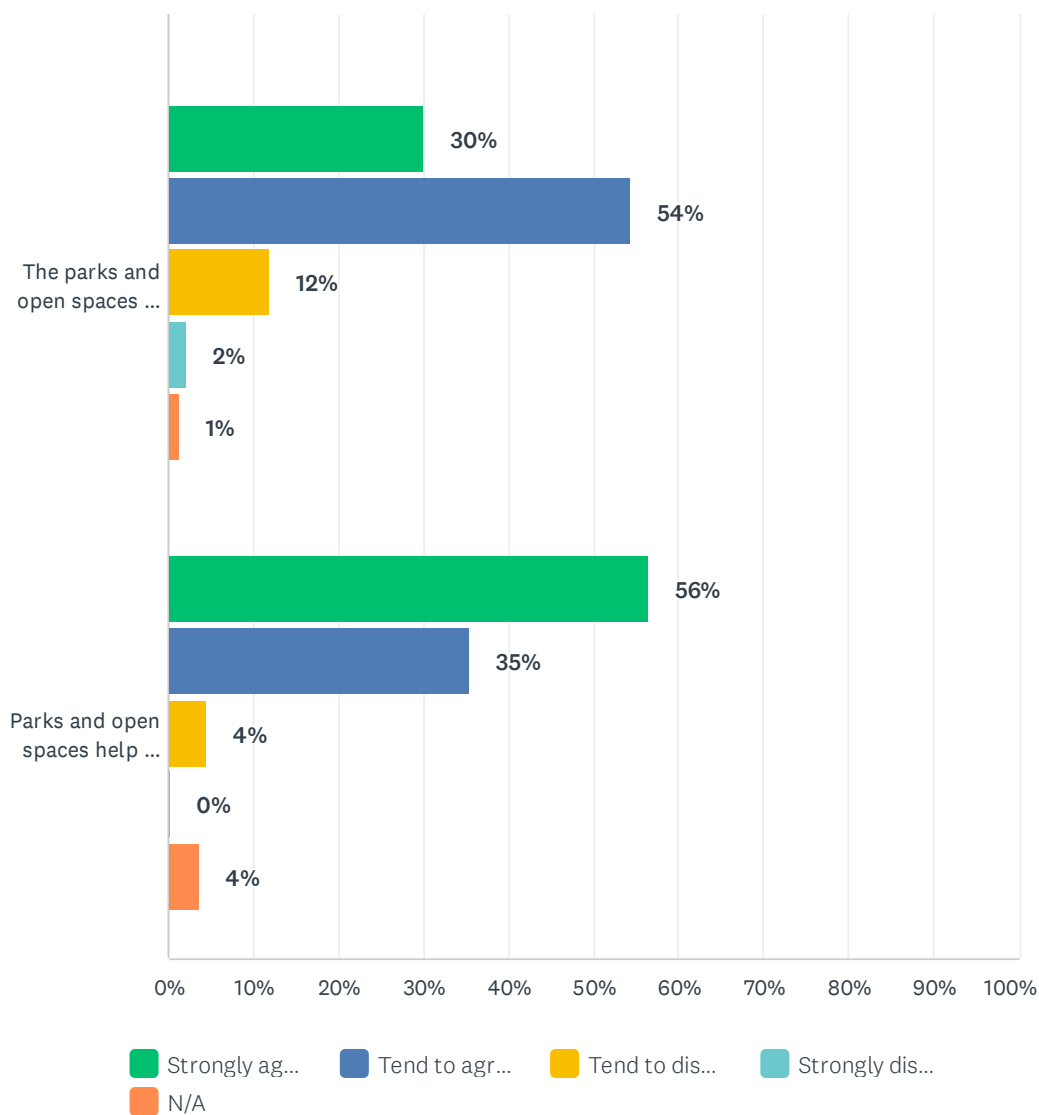
ANSWER CHOICES	RESPONSES	
Being in a natural environment	81%	841
Watching wildlife	46%	478
Somewhere to relax	39%	412
Somewhere to socialise	10%	105
Somewhere to walk my dog	20%	212
Having facilities for toddlers and young children e.g. play equipment	24%	252
Having facilities for young people e.g. skatepark, play equipment for older children	14%	147
Opportunities to play sport e.g. tennis courts, football pitches	10%	108
Being able to exercise alone e.g. running, walking, cycling	34%	353
Being able to exercise in a group e.g. structured class	2%	17
Taking part in a volunteer activity	4%	38
Attending events	4%	41
Total Respondents: 1,044		

Q5 Please rate your agreement with the following statements around parks and open spaces:

Answered: 1,028 Skipped: 54



Greenspace Strategy 2022-27 consultation



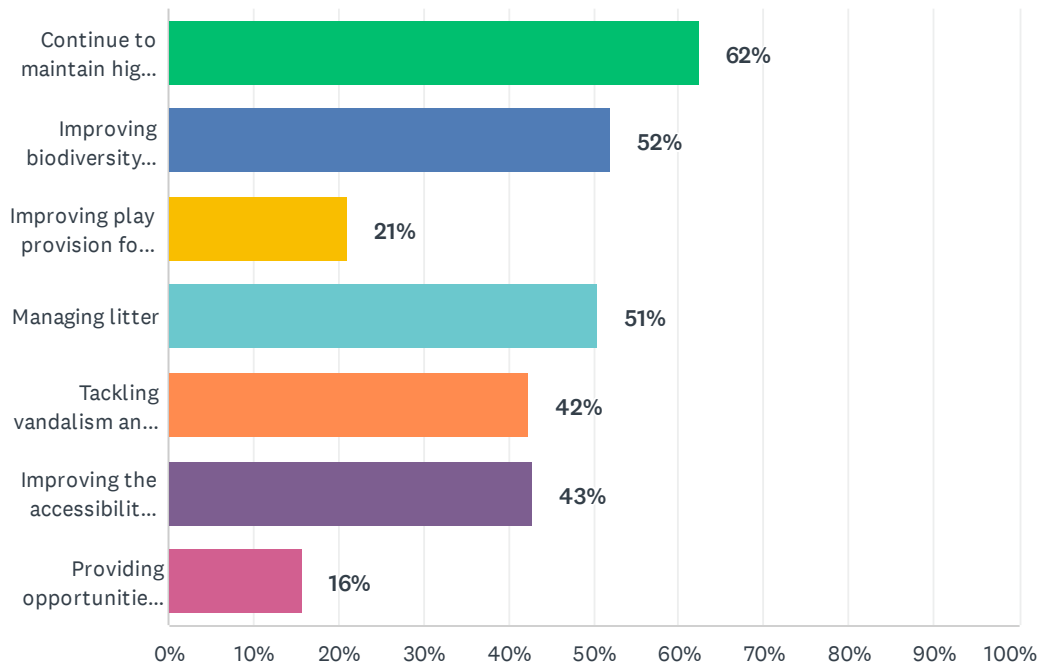
	STRONGLY AGREE	TEND TO AGREE	TEND TO DISAGREE	STRONGLY DISAGREE	N/A	TOTAL
Where I live there is a park or open space within easy walking distance from my home	79% 808	16% 169	3% 28	1% 12	1% 11	1,028
Parks and open spaces make this a nice place to live	82% 845	15% 156	1% 10	1% 6	1% 11	1,028
I am happy with the facilities that are available in my nearest park or open space	42% 431	41% 418	12% 121	3% 35	2% 23	1,028
When I visit parks and open spaces, I feel safe	42% 432	50% 517	6% 58	1% 10	1% 11	1,028
The parks and open spaces are clean and well maintained	30% 310	54% 559	12% 122	2% 23	1% 14	1,028
Parks and open spaces help me to stay fit and healthy	56% 580	35% 364	4% 45	0% 2	4% 37	1,028

Q6 If you disagreed with any of the above statements in Q5 please tell us why:

Answered: 239 Skipped: 843

Q7 What do you think should be the council's main priorities for how we manage our greenspace over the next five years? Please pick your top three priorities:

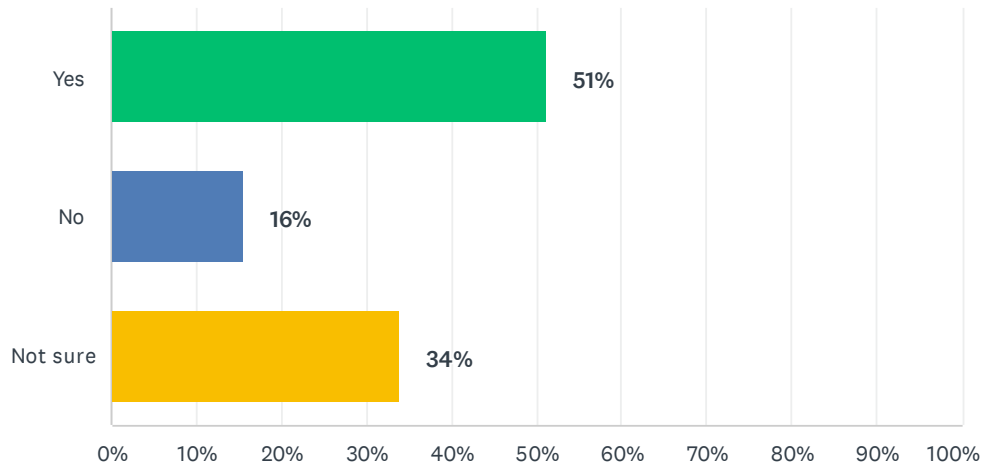
Answered: 1,018 Skipped: 64



ANSWER CHOICES	RESPONSES	
Continue to maintain high standards of maintenance	62%	635
Improving biodiversity through allowing more areas to go wild	52%	529
Improving play provision for children	21%	214
Managing litter	51%	515
Tackling vandalism and anti-social behaviour	42%	432
Improving the accessibility of our greenspace e.g. through footpath renovations	43%	436
Providing opportunities for people to volunteer in our parks and open spaces	16%	160
Total Respondents: 1,018		

Q8 Are there other priorities the council should consider for managing our greenspace over the next five years? Please specify below:

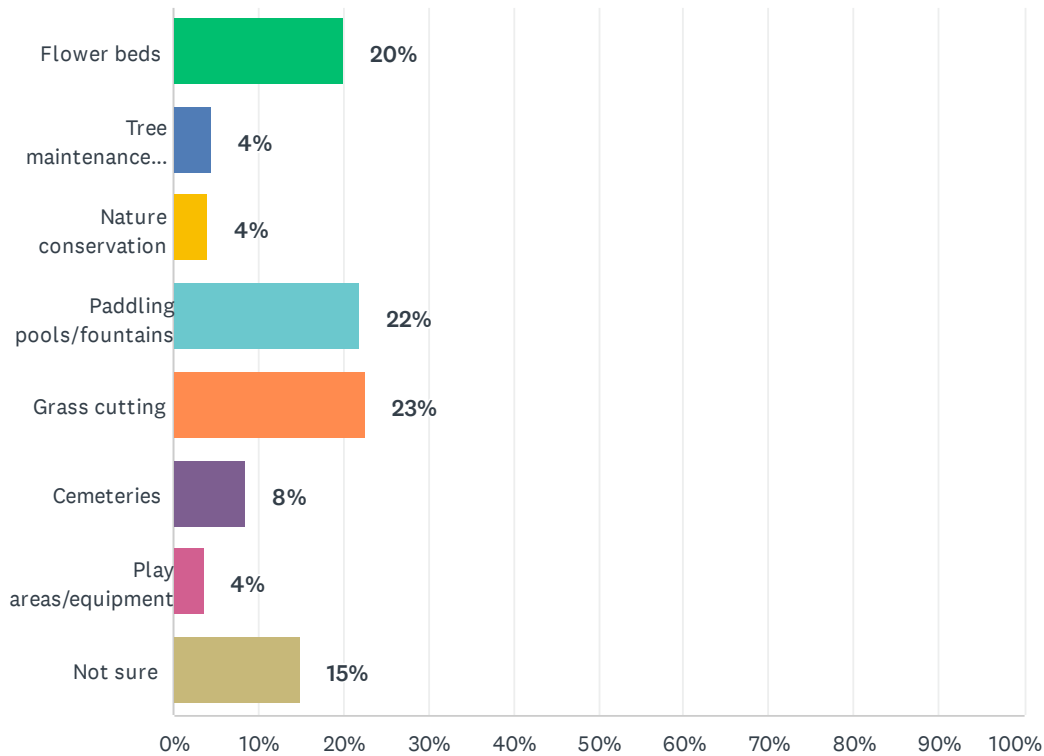
Answered: 964 Skipped: 118



ANSWER CHOICES	RESPONSES	
Yes	51%	493
No	16%	151
Not sure	34%	326
Total Respondents: 964		

Q9 If North Herts Council has to make financial savings in just one of the areas below, which should it be?

Answered: 1,007 Skipped: 75



ANSWER CHOICES	RESPONSES	
Flower beds	20%	201
Tree maintenance (planting)	4%	45
Nature conservation	4%	41
Paddling pools/fountains	22%	221
Grass cutting	23%	228
Cemeteries	8%	85
Play areas/equipment	4%	36
Not sure	15%	150
TOTAL		1,007

Q10 Please use this space to tell us if there's anything we can improve on and/or any further comments about the future management of greenspace in North Herts.

Answered: 471 Skipped: 611

Summary of open comments from Greenspace Management Strategy survey.

There were a significant number of open comments (1,377) in the GSMS survey. Below is a summary of some of the key themes arising from the survey.

Allotments

In Q4, when asked 'What do you value most in our parks and open space?' 'allotments' were not a pre-selected option, but out of 155 comments, 41 (26%) mentioned how important allotments are.

- "Many people get great satisfaction from tending, producing and eating their own fruit and veg"
- "During lockdown, when I was confined to a small flat, my allotment was a real lifeline"
- "Treat allotments as equal importance to parks, playgrounds etc"

In addition, in Q8, when asked 'Are there other priorities the council should consider for managing our greenspace over the next five years?', out of 512 comments, 63 (12%) said the council should increase allotment provision.

Disagreement with statements about parks and open spaces

In question 5, respondents were asked if they agreed with a series of positive statements about our parks and open spaces. If they didn't agree, they were given the opportunity to leave a comment.

Out of 239 comments, 8 respondents (3%) mentioned drugs, 27 (11%) complained about dog fouling and 9 respondents (4%) mentioned nuisance dogs.

Drugs and feeling unsafe

- "Drug dealers in local park and groups of men hanging around smoking weed"
- "There are drug users at the Little Wymondley Rec, which doesn't make me feel safe"
- "Norton common at night is not at all lit and is very scary"
- "Work with police to reduce antisocial behaviour and drug use around open spaces - e.g. adjacent car parks being used for drug dealing"

Dogs – fouling and nuisance/litter bins

- "The rubbish bins are often overflowing & very unpleasant. Dog poo bags are frequently deposited near the bins as there is insufficient room in the bins"
- "The loss of dog waste bins has turned the parks and green ways into revolting poop areas. You have to put waste into bins overflowing with dog mess – it's revolting"
- "Too many dogs off lead or not under control meaning I worry, particularly about taking children out"

- “I think there is an increasing litter problem, especially dog waste. Yesterday I collected 4 bags of dog waste on the oughthead common path, just a few hundred metres from a bin. Can we have a media blitz on this please?”
- “Bins are a problem. They are often overflowing with rubbish, but worst is the bags of dog mess. Dog owners do not wish to take their bags and dispose of them cleanly if the bins are overflowing, they just dump them beside, on, or near the bins.”

Greenbelt

Q8 – When asked ‘Are there other priorities the council should consider for managing our greenspace over the next five years?’, another priority mentioned was to protect the greenbelt with 32 comments (6%) out of 512 mentioning “greenbelt”, including:

- “Protect greenbelt from development & enhance areas for biodiversity & wildlife”
- “Do not build on Greenbelt areas I moved to Letchworth 4 years ago to live in a green area with open spaces. Now realising you intend to build on Greenbelt areas which will mean I will move out of the area if this happens”
- “Green belts are "greenspaces" too. It is a shame that NHC seems to be so keen to getting their status changed, in order to build more homes, which will attract more traffic and pollution”

Quality of play equipment

- “The equipment in all three of our nearest play areas - St Ippolyts (x 2) and Gosmore is not in the best condition and needs to be overhauled”
- “The Lytton Fields recreation space in Knebworth is very poorly maintained. There are often nettles under the play equipment and the grass needs cutting more often. The play equipment is dated”
- “Smithsons recreation area in Hitchin has not been cleared of leaves in months and it’s very dirty for the children to play on and around the equipment. When money was spent on the park a few years ago there was nothing spent on the children’s play area it is old and very inferior to the other play parks in Hitchin”
- “We're quite good on play facilities for the younger age groups. Need more things for early teens. Adventure playground type equipment for that older group”
- “Natural play for children that integrates into the environment”
- “Please add gates and fences to the play areas. Some parks are far too stressful for parents!”
- “The recent revamp of Howard Park playground is incredibly disappointing, the previous version was better. You've replaced too many elements which multiple children could use with single-user items (bee pots, wobbly bridge, mirrors), and the sandpit is a nightmare as

children now fight over the scarce resources. Who on earth designed it? We all wanted more swings, nothing else!”

- “Howard park in Letchworth is managed very well with friendly staff. Would welcome more areas with (even very basic) play areas for children in the south of Letchworth. Impressed with maintenance of the Greenway - thanks to all the council staff who make this a nice place to live”

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**CABINET
22 March 2022**

PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: KNEBWORTH NEIGHBOURHOOD PLAN – EXAMINERS REPORT

REPORT OF: SERVICE DIRECTOR - REGULATORY

EXECUTIVE MEMBER: PLANNING

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

1. EXECUTIVE SUMMARY

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

2. RECOMMENDATIONS

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

3. REASONS FOR RECOMMENDATIONS

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

4. ALTERNATIVE OPTIONS CONSIDERED

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

4.2. To depart from the examiner's proposed modifications; if the examiner's recommendations are not followed, the Parish Council as the qualifying body could request that the Secretary of State intervenes. Officers do not recommend this option given the recommendations of the examiner.

4.3. The Parish Council, as the Qualifying Body, has a right to withdraw the neighbourhood plan at any time before the local planning authority decides on the examination report. However, the Parish Council has confirmed that it is content with the Examiners recommendations and wishes the neighbourhood plan to proceed to a referendum.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

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

6. FORWARD PLAN

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

7. BACKGROUND

7.1. The Knebworth Neighbourhood Planning Area was designated by Cabinet on 14 June 2016. The Parish Council produced a Pre-Submission (Regulation 14) draft of the Knebworth Neighbourhood Plan, which was consulted upon from 14th March to 9th May 2020.

7.2. Knebworth Parish Council submitted their neighbourhood plan to North Hertfordshire District Council on 14 March 2021. Consultation on the Proposed Submission Neighbourhood Plan (Regulation 16) took place from 21 April to 9 June 2021.

7.3. A total of 15 representations were received, generating 123 comments on the plan. The plan was then submitted for examination.

7.4. An independent examiner, Nigel McGurk, was appointed by the Council in consultation with Knebworth Parish Council.

7.5. The role of the examiner is to assess whether a neighbourhood plan meets the basic conditions and other matters set out in paragraph 8 of Schedule 4B of the Town and Country Planning Act 1990 (as amended). Details about the basic conditions are set out in Section 3 of the examiner's report, as attached at Appendix A.

7.6. Following the examination, the examiner must make one of the following recommendations:

- The neighbourhood plan can proceed to a referendum on the basis it meets all the necessary legal requirements;
- The neighbourhood plan can proceed to a referendum subject to modifications; or
- The neighbourhood plan should not proceed to a referendum on the basis it does not meet the necessary legal requirements.

8. RELEVANT CONSIDERATIONS

- 8.1. The examination of the neighbourhood plan took place between October 2021 and February 2022 and was conducted by written representations, rather than a public hearing. During the examination, the examiner asked some clarification questions, and a response was provided by the Parish Council, along with responses to comments raised at Regulation 16 stage.
- 8.2. The examiner's report was issued on 2 February 2022, with the following recommendations: "I find that the Knebworth Neighbourhood Plan meets the basic conditions¹ and I recommend to North Hertfordshire District Council that, subject to modifications, it should proceed to Referendum."
- 8.3. The examiner has considered all of the policies and the supporting text in the neighbourhood plan. The examiner has set out a series of modifications which ensure that the neighbourhood plan meets the basic conditions and that it can be used in determining planning applications and will provide a practical framework for decision making.
- 8.4. The main issues arising from the modifications relate to policies not being supported by sufficient evidence or being deemed premature due to links to the emerging Local Plan policies. The key modifications to the Neighbourhood Plan policies put forward by the Examiner include:
- The schools chapter (Policies KBS1, KBS2, KBS3) is proposed for deletion. This is due to issues relating to delivery, a lack of evidence base and the reliance on the emerging Local Plan which is yet to be adopted.
 - The transport policies KBT2 (traffic impact), KBT3 (on street parking), KBT4 (High Street Traffic Issues) and KBT5 (Bus Routes) are proposed for deletion. The basis for this centres on the lack of substantive evidence, impacts on deliverability, prematurity due to linkages to the emerging Local Plan and policies being deemed onerous.
 - Amendments to the Green Belt policy (KBDS1) to refer to village character rather than the separation between settlements. This is proposed due to both lack of evidence and the duplication of policy.
 - The Village Centre and existing building lines policy (KBLE3): the requirements for a set distance (proposed at 7m) in relation to building lines is proposed to be removed based on lack of evidence.
 - Sustainable buildings policy (KBBE2)/ Accessible and adaptable policy (KBBE3): these policies were deemed onerous and without sufficient evidence.
 - Policies KBBE6 (emerging Local Plan allocation KB1) and KBBE7 (emerging Local Plan allocation KB2): the modifications involve a general stripping back of these policies, in response to the need for masterplanning and further evidence required in relation to access and movement, green infrastructure and sports facilities.
 - Policy KBBE8 (emerging Local Plan allocation KB4): removal of the reference to 'site reserved for new secondary school' and 'new community centre and early

¹ It is confirmed in Chapter 3 of this Report that the Knebworth Neighbourhood Plan meets the requirements of Paragraph 8(1) of Schedule 4B to the Town and Country Planning Act 1990.

years facilities' due to being premature to the detailed masterplanning process and the lack of evidence in respect of deliverability.

- 8.5. The extent of the proposed modifications is disappointing given the level of community input, especially in relation to the policies which have been directly impacted by the continued delays to Local Plan adoption. Nonetheless, we consider that the Neighbourhood Plan should proceed to referendum given the number of policies retained, clarified and enhanced through the Examination process, and to support the Parish Council in bringing forward a Neighbourhood Plan for Knebworth.
- 8.6. A schedule of all of the proposed modifications has been prepared which is attached as Appendix B. Officers have considered all of the proposed modifications and where appropriate have made comments and these are noted in the schedule. The Parish Council have also considered the proposed modifications and agree that the examiner's proposed modifications should be made to the neighbourhood plan.
- 8.7. The examiner states, that subject to the proposed modifications being made to the neighbourhood plan, he recommends that the Knebworth Neighbourhood Plan can go forward to a referendum. As part of the examination process, the examiner must also consider whether the referendum area should be extended beyond the neighbourhood planning area to which it relates. In this case, the examiner considers that there is no reason to alter or extend the area for the referendum.
- 8.8. Once the local planning authority decides that a referendum should be held, this must take place within 56 working days from the publication of its' decision statement to take the plan forward. The duties of the Counting Officer are to be exercised by the appointed Returning Officer for local government elections in the area. Subject to Cabinet approval, the referendum will take place on 5 May 2022 alongside the scheduled local elections .
- 8.9. If there is a favourable response to the referendum, where more than 50% of those voting, vote in favour of the plan, then the local planning authority will "make" the neighbourhood plan. The plan will need to be "made" within 8 weeks of the referendum. Once the neighbourhood plan is "made", it will form part of the statutory development plan. Policies in the neighbourhood plan will be used in determining planning applications within the Knebworth neighbourhood planning area.

9. LEGAL IMPLICATIONS

- 9.1. Under the Terms of Reference for Cabinet Paragraph 5.6.18 of the Constitution states that the Cabinet should exercise the Council's functions as Local Planning Authority except where functions are reserved by law to the responsibility of the Council or delegated to the Service Director: Regulatory. The decision to "make" the Knebworth Neighbourhood Plan is delegated to the Service Director-Regulatory in consultation with the Executive Member for Planning.
- 9.2. The Localism Act 2011 provided a new statutory regime for neighbourhood planning. The Neighbourhood Planning (General) Regulations 2012 (as amended) make provisions in relation to that new regime. It does amongst other things set out the Council's responsibility (as the Local Planning Authority) in assisting communities in the

preparation of neighbourhood development areas, plans and order and to take plans through a process of examination and referendum.

- 9.3. At the point where the local planning authority makes the decision on whether the neighbourhood plan should proceed to referendum, it needs to be satisfied that the neighbourhood plan proposal has regard to national policy and guidance, contributes to sustainable development, is in general conformity with the strategic policy of the development plan for the area.
- 9.4. Regulations 2A and 18A of the Neighbourhood Planning (Referendums) Regulations 2012 prescribe the relevant time limits referred to in paragraphs 8.8 and 8.9 above respectively.
- 9.5. As a consequence of receiving the examiner's report for the Knebworth Neighbourhood Plan, Section 70(2) of the Town and Country Planning Act 1990 (as amended) provides that the local planning authority must have regard to a post examination draft neighbourhood plan, as a material consideration in the determination of planning applications within the parish of Knebworth.

10. FINANCIAL IMPLICATIONS

- 10.1. The cost of the Knebworth Neighbourhood Plan examination has been met from the existing Neighbourhood Plan earmarked reserve (balance of £84k at February 2022), which came about from previous Government funding following the designation of neighbourhood planning areas and neighbourhood plan referenda. This reserve will also be used to fund the costs associated with the referendum, if the council is not successful in claiming the £20k grant, which is explained below.
- 10.2. The local planning authority can claim £20,000 from the Department for Housing, Levelling Up and Communities (DHLUC) once a neighbourhood plan has gone through a successful examination process and a decision statement has been published detailing the intention to hold a referendum. This funding has been confirmed for the 2021/22 financial year. At the time of writing, it is not known whether this financial support for neighbourhood plans will continue in future years. However, subject to agreeing the recommendations in this report and issuing the decision statement within the current financial year, a claim for the Knebworth Neighbourhood Plan will be submitted in March 2022.
- 10.3. The 2022/23 Budget sets out the proposed approach to the funding of growth bids for the strategic planning service including use of the existing neighbourhood planning reserve to part-fund staff costs.

11. RISK IMPLICATIONS

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

12. EQUALITIES IMPLICATIONS

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

- 12.2. There are not considered to be any direct equality issues arising from this report. Future individual schemes or considerations may well be subject to appropriate review to ensure they comply with latest equality legislative need. Any risks and opportunities identified will also be subject to assessment for impact on those that share a protected characteristic.

13. SOCIAL VALUE IMPLICATIONS

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

14. ENVIRONMENTAL IMPLICATIONS

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

15. HUMAN RESOURCE IMPLICATIONS

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

16. APPENDICES

- 16.1 Appendix A : [Examiners report for the Knebworth Neighbourhood Plan – February 2022](#)
Appendix B : Schedule of the examiner’s proposed modifications and responses

17. CONTACT OFFICERS

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- 17.7. Jodie Penfold, Group Accountant
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18. BACKGROUND PAPERS

18.1 Cabinet reports:

[Strategic Planning Matters – 31 July 2018](#)

[Strategic Planning Matters – 29 June 2021](#)

[Strategic Planning Matters – 20 July 2021](#)

[Strategic Planning Matters – 21 September 2021](#)

18.2 The following background papers are all available on the following webpage: <https://www.north-herts.gov.uk/approved-neighbourhood-areas-knebworth>

Knebworth Neighbourhood Plan and Appendices – Proposed Submission Version – March 2021

Independent Examiner's Clarification Note – November 2021

Independent Examiner's Report for the Knebworth Neighbourhood Plan – 2 February 2022

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Appendix B : Knebworth Neighbourhood Plan – Schedule of proposed modifications to the neighbourhood plan policies and supporting text

Unless there is a specific comment made against the examiners’ recommendations, the District Council is in agreement with the examiners’ proposed modifications to the Knebworth Neighbourhood Plan.

Policy, paragraph or page reference	Examiners Proposed Modifications	The Council’s comments
Page 9	Change third para to “...2021 National Planning...(NPPF, July 2021)	
Page 9	Delete fourth para (“In...lives.”)	
Page 9	Change fifth para to “The NPPF supports the involvement of local...”	
Page 10	Delete second full para and replace with “The emerging North Hertfordshire District Council Local Plan (referred to as “the emerging NHDCLP” in this Neighbourhood Plan) had reached an advanced stage by the time of the examination of the Neighbourhood Plan. The emerging NHDCLP and its evidence base have provided important background information for the Neighbourhood Plan.”	
Page 10	Change third full para to “In the emerging NHDCLP...”	
Page 10	Change end of fourth full para to “...by the emerging NHDCLP and additionally, through the Neighbourhood Plan.” (delete rest of sentence)	
Page 10	Delete fifth, sixth and seventh full paras (“If the proposed...emerging NHDCLP.”)	
Para 1.4	Line one, change to “...established and this was chaired...”	
Para 1.5	Change to “...parish in the emerging NHDCLP...”	

Para 1.6	Change to "...from the emerging NHDCLP..."	
Para 1.7	Third and fourth para, change to "...chapter on design guidance, included as Appendix K to the Neighbourhood Plan. Other parts of...or access proposals but are intended as helpful guidance." (delete rest of fourth para)	
Para 3.4	Change title to "Policies and Policies Maps." Change first line to "...the emerging NHDCLP..." and change fifth line to "The Policies Maps on pages XX and XX should be read..." (NB, page numbers will be determined as the recommended changes are made)	
Policy KBDS1	Change the title of Policy KBDS1 to "Knebworth Village Character"	
Policy KBDS1	Replace the text of Policy KBDS1 with "Development should respect or enhance the special character of Knebworth village."	
Para 4.1	Delete "The following objective relates...nearby towns and villages"	
Para 4.2	Delete all supporting text and delete Figure 9	
Policy KBDS2	Delete first sentence (The...vary."), penultimate and last sentences Reference...supported.")	
Para 4.3	Change first line to "The emerging NHDCLP..."	
Para 4.3	Change second para to "In order to guide development...for development sites allocated in emerging NHDCLP Policies KB1, KB2 and KB4."	
Policy KBLE1	Change policy text to "Proposals for new or expanded commercial space outside the Green Belt will be supported subject to such development respecting local character, residential amenity and highway safety."	
Para 5.2	Change ref at end of first para to "...proposed in the emerging NHDCLP." and change ref on last line of next para to "consistent with emerging NHDCLP Policy..."	In the Council's Regulation 16 response, it was raised that the end of the first

		paragraph seems to trail off, which is now rectified by this proposed change.
Policy KBLE2	Change heading to “5.3 Policy KBLE2 Rural Businesses”	
Policy KBLE2	Change to “...tourism uses will be supported where they are well designed and proportionate to existing buildings, and respect local character, residential amenity and highway safety.”	
Para 5.3	Change reference to “(emerging NHDCLP...”	
Para 5.3	Fourth para change to “The emerging NHDCLP...”	
Para 5.3	Last para, change to “...with emerging NHDCLP..,”	
Policy KBLE3	Change title and subsequent title in Green Box to “Policy KBLE3 Retail Area and Existing Businesses.”	The Council made representations to this policy at the Regulation 16 consultation stage suggesting that defining what was meant by Village Centre would be beneficial. This has now been taken into account by the Examiner by reference to the Retail Area instead.
Policy KBLE3	Delete first para and replace with “In the Retail Area, development requiring planning permission should retain retail or service uses. Also in the Retail Area, existing premises with ground floor access should retain an active retail frontage and new buildings should create new active retail frontage.”	The Council made representations to this policy at the Regulation 16 consultation stage suggesting that defining what was meant by Village Centre would be beneficial. This has now been taken into account by the Examiner by reference to the Retail Area instead.
Policy KBLE3	Delete second para and replace with “Redevelopment in the Retail Area along London Road should retain the characteristically wide footway.”	The Council made representations to this policy at the Regulation 16 consultation stage suggesting that defining what was

		meant by Village Centre would be beneficial. This has now been taken into account by the Examiner by reference to the Retail Area instead.
Policy KBLE3	Delete third and fourth paras and replace with “The change of use of commercial land, including at 1 Stockens Green, 1 Stevenage Road, The Station and The Lytton Arms pubs, the radio station Old Knebworth Lane, and 2 Station Approach, will not be supported unless it can be demonstrated, further to at least 12 months active and open marketing, that the uses are no longer viable.”	
Para 5.4	Change references in supporting text from village centre to “Retail Area” and change second para to “...Centres (emerging NHDCLP) survey...”	The Council made representations to this policy at the Regulation 16 consultation stage suggesting that defining what was meant by Village Centre would be beneficial. This has now been taken into account by the Examiner by reference to the Retail Area instead.
Policy KBLE4	Delete “encouraged and”	
Para 5.5	Change first line to “The emerging NHDC...” and change line three to “...also minimise the need...”	
Para 5.5	Change second para to “...suitable employment (emerging NHDCLP).”	
Policy KBLE5	Change to “...supported, subject to development respecting residential amenity, local character and highway safety.”	
Policy KBLE6	Change to “In respect of major development, developers will be expected to...business use. This may include...”	

Policy KBBE1	Change to “...Neighbourhood Plan area, whilst providing a range of types...”	
Para 6.1	Second para, change to “The emerging NHDCLP...”	
Para 6.2	Change first para to “...Plan area should not be visibly distinguishable from others...Affordable homes should be provided...”	
Para 6.2	Change reference in Para 6.2 from starter homes to “first homes.”	The Council made representations to this policy at the Regulation 16 consultation stage and recommended the removal of reference to Starter Homes as this no longer exists. This has been taken into account by the Examiner and replaced with First Homes.
Policy KBBE2	Change wording of Policy KBBE2 to “Construction methods that engage low energy principles, including modular building that respects local character; the utilisation of simple design solutions such as orientation of buildings to optimise solar gain, with the aim of transitioning towards zero carbon energy usage; domestic scale (micro) energy generation from renewable or low carbon sources; and providing for rainwater harvesting and greywater recycling, will be supported.”	The Council raised concerns at Regulation 16 stage regarding the introduction of requirements beyond the current and emerging Local Plan requirements which have not been subject to viability testing. This has now been addressed by the Examiner in the proposed amendments to the policy.
Para 6.3	Change to “...in the emerging NHDCLP, Policy KBBE2 seeks to promote sustainable construction techniques and a move towards zero carbon. Further recommendations...”	
Policy KBBE3	Change title to “6.4 Policy KBBE3 Accessibility and Adaptability”	
Policy KBBE3	Change to “Within major developments, the provision of accessible and adaptable homes, providing flexible internal space to allow homes to be adaptable to changing needs without major reconstruction, will be supported.”	

Para 6.4	Change first para to “The National Design Guide and the Building for a Healthy Life toolkit provide guidance aimed at enhancing the benefits of new residential development. For example...garden areas can be designed...”	Reference to the National Design Guide and Building for a Healthy Life (now updated from Building for Life) was suggested in the Council’s response to the Regulation 16 consultation, and is now incorporated here in the Examiners’ recommendations.
Para 6.4	Change last sentence to “Further guidance is contained in the 8 Principles...Architecture Centre.”	
Policy KBBE4	Policy KBBE4, delete wording and replace with “All development must demonstrate good design. Development must respect local character, which includes Knebworth’s Garden Village context. New housing development should incorporate sensitively designed car parking, bin storage, cycle storage and electric charging for bicycles and motor vehicles.”	The Council raised the following points at Regulation 16 stage: • Whether the proposed requirements for garages would meet the tests for planning conditions, and in particular in relation to enforceability. • That a range of car parking types is best practice. Amendments to this policy now resolve these issues raised.
Page 33	Delete photos on page 33	
Para 6.5	Change to “Policy KBBE4 seeks to promote good design and is intended to ensure that new development responds to...spaces. In this way, building forms...appearance can be considerate...village. The low-rise...dwellings are expected to continue to be the norm,	

	with new development being sympathetic...areas. Responding...emphasis can be placed..."	
Para 6.5	Delete all supporting text from "Most local authorities appear..." to the end of the supporting text ("...private car ownership.")	The Council raised the following points at Regulation 16 stage: • Whether the proposed requirements for garages would meet the tests for planning conditions, and in particular in relation to enforceability. • That a range of car parking types is best practice. Amendments to this policy now resolve these issues raised.
Policy KBBE5	Delete first para ("New...understood.")	
Policy KBBE5	Change rest of Policy to "Major new residential development should be legible, safe, accessible, encourage social interaction and provide a choice of walking and/or cycle routes. Residential parking should be safe and convenient and should not undermine the quality and amenity of streets. Parking should predominantly be on plot, to the side or front in the case of houses, or in parking courts for flats. Underground parking as a solution to minimise land take for car parking will be supported. Vehicle barriers, gated housing developments and narrow footpaths between high sided walls or fences should be avoided."	The Council raised at Regulation 16 stage that good practice is to provide a variety of parking typologies to sensitively integrate cars into the street, block and plot design, rather than the predominate parking being on plot to the side or in front. Whilst the Examiner has deviated from this in stating that parking should predominantly be on plot, to the side or front in the case of houses, or in parking courts for flats, it addresses the wider issue

		of how parking arrangements will be dealt with.
Policy KBBE6	Delete wording and replace with “Development at Deards End (KB1) should: a) be developed at densities that respect local character and Knebworth’s Garden Village context; b) seek to mitigate the effects of A1 (M) noise and air pollution; c) provide a green buffer where the site meets open fields and woodland.”	The Examiner has now deleted parts of the policy which the Council raised issues with at Regulation 16 stage, which include the following: • That green infrastructure provision needs to be considered as part of the wider masterplanning process. • That the requirement for outdoor sports facilities needs to be justified in quantitative terms and considered collectively across all emerging allocations. • That the associated car parking for outdoor sports facilities should be provided in line with the Council’s car parking standards.
Policy KBBE6	Delete the three lines of supporting text underneath the Policy	See above
Policy KBBE7	Delete wording and replace with “Development at Gipsy Lane (KB2) should: a) be developed at densities that respect local character and Knebworth’s Garden Village context; b) conserve or enhance the setting of the Stockens Green Conservation Area; c) seek to mitigate the effects of A1 (M) noise and air pollution.”	The Examiner has now deleted parts of the policy which the Council raised issues with at Regulation 16 stage, which include the following: • That green infrastructure provision needs to be considered as part of the wider masterplanning process. • That the requirement for outdoor sports facilities needs to be justified

		in quantitative terms and considered collectively across all emerging allocations.
Policy KBBE7	Delete the three lines of supporting text underneath the Policy	See above
Policy KBBE8	Delete wording and replace with “Development on land east of Knebworth (KB4) should: a) be developed at densities that respect local character and Knebworth’s Garden Village context; b) seek to improve pedestrian access and safety along Watton Road and Swangleys Lane; c) provide a green buffer to open fields.”	
Policy KBBE8	Delete the three lines of supporting text underneath the Policy	
Policy KBW1	Delete text and replace with “The development of new or enhanced community facilities and services, including those that increase opportunities for recreation and health and wellbeing, will be supported.”	
Policy KBW2	Policy KBW2, delete first sentence and replace with “The five areas listed below and shown on the Figures following this Policy are protected as areas of Local Green Space. The management of development within areas of Local Green Space will be consistent with that for development within Green Belts as set out in The National Planning Policy Framework. LGS1 Watton...LGS5 Allotments, Watton Road”	
Policies Maps, Local Green Space	Retain the references in the Policies Maps and provide detailed Figures showing the precise boundaries of each designated area of Local Green Space. These could be on individual or shared plans, the only requirement being that the boundary of each Local	

	Green Space is presented so clearly as to be beyond dispute. These Figures should be provided below the wording of Policy KBW2	
Para 7.2.3, page 43	First full para, change to "...in para 102 of the NPPF..."	
Policy KBW3	Delete the first two paragraphs ("Development...demonstrated:") and replace with "The loss of the following Recreation Green Spaces will not be supported unless they are replaced with better facilities at least as accessible to the local community as the current spaces: (list of 5 sites here)."	
Policy KBW3	Change last sentence to "...will not be supported unless..."	
Policy KBW4	Delete text and replace with "In order to maintain an inclusive village community, the valued and potentially vulnerable community facilities listed below should be retained in their current use unless: a) They are no longer needed/there is no demand for them; b) They are replaced by better community facilities in locations accessible to the local community"	
Policy KBW5	Replace the Policy wording with "The provision of new allotments to meet local demand will be supported."	The Council raised concerns regarding the level of provision and its potential effect on the delivery of other forms of open space at Regulation 16 stage. The Examiner has addressed this with the new proposed policy wording.
Policy KBW5	Delete the last sentence of the first paragraph of supporting text below the Policy (If...sites") and replace it with: "The Parish Council will seek the provision of new allotment areas, including within proposed major development sites.	

Policy KBW5	Change the second paragraph of supporting text to: “The Parish Council is keen to find around 1.5 hectares of land for use as allotments. This would be in general accordance with The Allotment Association...providing allotments. The Parish Council will seek to work with developers to identify...allotment provision.”	The new proposed wording by the Examiner alleviates the concerns raised by the Council Regulation 16 stage about the level of allotment provision sought, by making the language more of an aim.
Policy KBS1	Delete Policy KBS1, supporting text and photographs	
Policy KBS2	Delete Policy KBS2 and supporting text	The Council suggested at Regulation 16 stage that the first sentence of the policy should be removed that related to the site for a new primary school. This is now resolved given that the Examiner has proposed the whole policy and supporting text to be deleted.
Policy KBS3	Delete Policy KBS3 and supporting text	
Policy KBS4	Delete Policy KBS4 and supporting text	The Council raised concerns the following at Regulation 16 stage, which have now been resolved given the proposed deletions by the Examiner: • That the latest proposed modifications to emerging Local Plan Policy SP10 and associated supporting text recognise the challenges around predicting and providing for long-term education needs and that alternate possibilities may be identified in the intervening period. It is considered that this would provide a more

		appropriate basis for the commentary in the Neighbourhood Plan rather than the ‘ins and outs’ of the Local Plan Examination. • That the policy and supporting text effectively seek to apply Green Belt policy to land that would not be Green Belt if the Local Plan proceeded to adoption and this is not considered appropriate.
Policy KBS4	Taking the recommendations in the Schools Chapter into account, I recommend that the whole of the Schools Chapter is removed from the Neighbourhood Plan and that reference to Objective O elsewhere in the Neighbourhood Plan be deleted	
Policy KBEF1	Change to “Development should minimise impacts on and provide net gains for biodiversity. Major development should: ...to minimise disruption...wooded areas.”	
Policy KBEF1	Change last para of Policy to “...calculator can be taken into account...” and move this paragraph to the start of the supporting text in Para 9.2	
Para 9.2	Delete the first sentence of supporting text (“This...developments”)	
Para 9.2	Change the wording of the fourth, fifth and sixth paragraphs of supporting text under 9.2 to: “It will be important for new developments, wherever possible, to retain existing trees, hedgerows and green road borders to minimise disruption to wildlife. Wherever possible, the removal of mature trees should be justified and access to the sites should be through natural breaks. Removal of hedgerows and verges for access is generally something that should only be considered as a last resort. In addition, it will be important for care to be taken to ensure that tree roots are not damaged as they may extend well past the crown of the tree itself.	

	“The Parish Council is keen that a green infrastructure audit is carried out prior to developments, to help to provide a checklist for... developer-independent equivalent) could be used prior to any...ecological impact. “The Parish Council is keen for landscaping schemes in new developments to encourage healthier ecosystems...aesthetically pleasing.”	
Para 9.2.3	Change second line to “...decades. The Parish Council would like to see these hedgerows retained...” and change second para to “...in the emerging NHDCLP...Old Lane for reservation as part of any new development...”	
Para 9.2.4	Change third para to “...move around and that these connect to new or existing woods. Indeed, it is considered critical that the creation of such corridors takes account of the...”	
Para 9.2.4	Change fourth para to “It is considered important for new wooded areas to be of a size and to contain enough...”	
Policy KBEF2	Delete Policy KBEF2 and supporting text	The Council raised at Regulation 16 stage that existing legislation already covers these matters (apart from c). The proposed deletion by the Examiner rectifies this matter.
Policy KBEF3	Change to “The use of best practice in energy conservation, water conservation and the re-use of building materials with the aim of transitioning towards buildings being carbon neutral in construction and in ongoing use will be supported.”	
Para 9.4,	Delete first para (“This...Knebworth”) and change remaining text to “...However, where this technique is used it is worthwhile being cautious to ensure that the plants used are not so vigorous...New developments can be designed to maximise natural...”	

Policy KBEF4	Change to “Development should not result in a net increase in surface water run-off and should seek to reduce surface water run-off.”	At Regulation 16 stage, the Council recommended that ‘must’ should be replaced with ‘should seek to’ to ensure deliverability. With the new proposed wording, this recommendation is taken forward.
Para 9.5	Delete first five paras (“Although...and fauna”)	
Para 9.5,	Page 66, last para, change to “...flooding. This presents an opportunity to create an overall SuDS scheme that could enhance...”	
Para 9.5	Delete last para (“The...52).”) and replace with “The use of SuDS is likely to comprise an important part of new development in Knebworth and sustainable drainage systems provide a potential solution for managing flood related issues.”	
Policy KBEF5	Change opening sentence to “Development must respect the important views and character areas identified on the Policies Map and listed below:”	
Para 9.6	Delete first two paras (“The location...n.d”)	
Para 9.6.1	Delete last sentence (“Site...skyline.”)	
Para 9.6.3	Last para, change to “...maintained. The Parish Council is keen to see that this is considered in the...”	
Para 9.6.4	Delete last sentence (“Any...appearance.”)	
Para 9.6.9	Delete last sentence (“Any...view.”)	

Para 9.6.11	Penultimate para, change to "...principles, which provide important opportunities to influence new developments."	
Para 9.7.1	Change start of second para to "NPPF para 189 states "Where..."	
Para 9.7.1	Change end of para to "...field evaluation." The emerging NHDCLP notes that "Should archaeological...asset.""	
Policy KBEF6	Delete first para ("Development...asset") and change start of second para to "The following non-designated heritage assets will be conserved in a manner appropriate to their significance: War Memorial...Station Approach; The Cottage, Three Houses Lane; Knebworth Village Hall; 1, 3 & 5 Station Road; 23 Station Road; and 143 London Road."	
Policy KBEF6	Delete last sentence ("This policy...Plan.")	
Policy KBT1	Delete text and replace with "The provision of sustainable modes of transport, electric vehicle charging points and the protection and enhancement of public rights of way will be supported."	
Para 10.2	First para, delete "and North Herts...52)" and delete second para ("If...increase.") and delete second sentence of third para ("It is probable...40).")	
Para 10.2	Fourth para, delete last sentence ("This...51)")	
Policy KBT2	Delete Policy KBT2 and supporting text	The Council raised the following points at Regulation 16 stage:

		• That the second paragraph duplicates emerging Local Plan policy for the relevant allocations listed. • That cumulative transport impacts will be considered as part of the masterplanning process for allocations KB1, KB2 and KB4, which will inform appropriate transport access arrangements and mitigation measures. • The requirements for building line distances are not justified by evidence and fall beyond the scope of planning policy. Theses comments are now resolved given the proposed deletion of the policy and supporting text.
Policy KBT3	Delete Policy KBT3 and supporting text	
Policy KBT4	Delete Policy KBT4 and supporting text	
Policy KBT5	Delete Policy KBT5 and supporting text	
Chapter 11	Delete heading of Chapter 11 and replace with “11 - Implementation”	
Policy KBI1	Delete heading “11.2 Policy KBI1 Spending Priorities”	
Policy KBI1	Remove green box and delete “KBI1 Spending Priorities”	
Policy KBI1	Delete wording of text previously in green box and replace with “The Parish Council is keen to see that funding derived from development in Knebworth benefits the residents of	At Regulation 16 stage, the Council raised the point that limiting funding derived from

	Knebworth. To this end, a list of projects identified in an Action Plan (Appendix E) will be reviewed twice a year by the Parish Council.”	development in Knebworth to only benefiting Knebworth residents was not reflective of the need to consider impacts beyond the immediate area. Further to this, this could hamper meeting the tests for planning obligations in the NPPF and Regulation 122. The Examiner has now proposed wording which retains the aim through the use of ‘the Parish Council is keen...’ without stating this in a prescriptive way as phrased previously. This therefore alleviates the concerns raised by the Council.
Page 90	Delete last para and replace with “The Parish Council will seek to encourage developers to take the Action Plan into account when submitting planning applications for development in Knebworth Parish and will seek to work with the County Council and District Council to achieve this.”	As set out also above, the Examiner has softened the language in relation to the spending of developer contributions, which now resolves concerns raised by the Council at Regulation 16 stage.
Other	Update the Contents, Policy, Figure, paragraph and page numbering to take into account the recommendations contained in this Report	

Other proposed non-policy modifications to the neighbourhood plan

Policy or paragraph reference	Examiners Proposed Modifications	The Council’s comments
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Policies Maps	Move Policies Maps from Appendix A to the body of the plan, following on from the end of the Policy (and Implementation) section of the plan	
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DRAFT CABINET
22nd March

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: Shared Waste Service Governance

REPORT OF: *Shared Service Manager – Waste Management*

EXECUTIVE MEMBER: Cllr Amy Allen

COUNCIL PRIORITY: Sustainability

1. EXECUTIVE SUMMARY

The shared client team for waste services has been in operation with oversight from the Joint Partnership Board for waste since December 2017. This report identifies options around governance of the shared service to support future partnership working and service resilience.

2. RECOMMENDATIONS

- 2.1. The Cabinet agree to the new overarching aim of the shared services and principles outlined in 8.10 and 8.12
- 2.2. That the Cabinet endorses the formation of a joint cross party working group. The terms of reference for which are outlined in Appendix A and the outline work programme described in 8.19
- 2.3. That the Cabinet agrees to explore the future options for governance of the Shared Waste Service, including consideration of a joint committee consisting of representation by both East Herts Council and North Herts Council

3. REASONS FOR RECOMMENDATIONS

- 3.1 Waste services are one of the largest services provided to residents in both Councils, a “one service” approach promotes resilience and flexibility ensuring residents and customers receive a high-quality service. The recommendations are being made to enable the further alignment of services, through joint decision making, and consequently the long term efficient and optimal management of the services.
- 3.2 A new aligned governance structure would promote a unified, stable and long-term strategic vision for the shared service and ensures:
 - a service that is agile and responsive to changes
 - reduction in customer confusion
 - better engagement/ use of skills/talent and retention of staff and therefore service delivered to customers
 - continuous improvement within the services

- improved resource visibility and flexibility
- aligned timeframes and increased speed for decision making
- greater consistency and stability leading to greater interest and competitiveness from the market.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. To retain existing governance structures, without changes to decision making processes, however this has led to unilateral decisions being made which are contrary to the principles of the shared waste service as outlined in 7.5.
- 4.2. Existing arrangements for governance are informal but underpinned by a legally binding Inter Authority Agreement. The existing Waste Partnership Board has no decision making powers.
- 4.3. The setting up of a Joint Waste Authority would involve the creation of a new local authority concerned specifically with the delivery of prescribed waste functions of the partner authorities. A Joint Waste Authority is a statutory body in its own right and will require an establishment order by the Secretary of State for the Environment, Food and Rural Affairs and for this reason is currently excluded from consideration.
- 4.4. The current structure retains independent decision making for the Councils and is relatively inexpensive to operate as it fits within the existing committee framework for each authority.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 Members at the Joint Partnership Board identified concerns that the shared service is not wholly aligned in its operation and administration and requested officers explore mechanisms to facilitate the alignment of services.

6. FORWARD PLAN

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

7. BACKGROUND

- 7.1. East Herts Council (EHC) and North Herts Council (NHC) entered into a Shared Service arrangement in 2017 and a joint contract was let beginning in May 2018.
- 7.2. A Councillor led Joint Partnership Board for waste meets twice per year and monitors the performance of the contract.
- 7.3. The service comprises a 'client' management structure located at the Buntingford Depot and two operational hubs comprising separate management teams and separate workforces for East and North Herts Councils.
- 7.4. The Contractor is responsible for the collection of waste and recycling from approximately 124,000 households and over 1920 commercial customers.

- 7.5. In 2014 the Councils agreed to progress from a Strategic Outline Case to an outline Business Case for the shared service specifically exploring potential additional savings in joint contracts, savings in client overheads including depot costs, governance and management proposals and jointly agreed policies to form the basis of a joint specification.
- 7.6. Prior to the formation of the shared service client team in December 2017, both Councils made unilateral decisions on the service offering to residents for waste, recycling and street cleansing services which formed the basis of the joint contract with Urbaser.
- 7.7. The independent decision making at each authority led to different decisions being made by North Herts Council and East Herts Council regarding the provision of services to residents, despite an original commitment to joint policies.
- 7.8. In some areas service differences are considered minimal. e.g. EHC do not permit collection staff to collect side recycling whereas NHC do. However, the most significant at the time was the decision by North Herts Council to charge for garden waste collections and the decision by East Herts Council not to.
- 7.9. In almost all cases differences have led to differing operations, differing administrative requirements and have contributed to differences in recycling performance and/or cost and will contribute to the culture and ethos surrounding the service for each authority.
- 7.10. During changes to services the clients focus will be on one authority where the change is not being made by both, this can mean that resources are unbalanced. Undertaking projects at differing times of the year, for example route optimisation means that no efficiencies were found across the contract and that the client was involved in a protracted project timeline taking away from day-to-day customer queries and proactive educational campaigns which help manage recycling stream contamination and increase participation in services.
- 7.11. If we were to wholly align service efficiencies could be found in marketing and campaign work, planning consultations and customer enquiries all leading to an increased ability for the client to support the services and increase promotion of both domestic and commercial services.
- 7.12. Administrative efficiencies could be found in the financial management of services, procurement, data reporting, tonnage allocation, invoicing, variation processing, performance management, and complaint handling through standardisation of responses and policies.
- 7.13. As a short summary the list below identifies some examples of areas of the current services which are not aligned.

Public conveniences	EHC part of waste contract	NHC separate contract
Parish Litter picking grants	EHC only	
Commercial clinical waste services	EHC only	
Dual recycling litter bins		NHC only
Separate weekly food waste collection		NHC only

Residual waste collection	EHC 240l black bin	NHDC 180l purple bin
Services at flats		NHC separate weekly food waste
Recycling (Paper and Textiles) Bring Banks	EHC only	
Kerbside textile collections		NHC only
Kerbside battery collections		NHC only
Customer Service	EHC in house	NHC in contract
Garden Waste in sacks	EHC only	
Leaf fall collection		NHC only
Paper Box provision	EHC 45l inner caddy (55l option with optional lid)	NHC 55l box
Extra recycling collection	EHC larger bins policy	NHC collection of 'side' recycling

- 7.14. The lack of alignment in some areas has meant that some operational inefficiencies exist. It is hoped that with further alignment opportunities can be explored for cross boundary working, potentially reducing the carbon impact of the services.
- 7.15. At the moment our contractor has little choice but to run services independently for each authority and although some synergies can be found from a joint contract, such as the sharing of spare vehicle resources, it is not currently possible to fully optimise the collections or administrative processes.
- 7.16. The consistency agenda is a key topic in the government's resources and waste strategy and has so far been the subject of two government consultations. It is clear that there is a driving desire from central government to see consistency across service provision with the primary aim of ensuring that services provided to the public are simple to use.
- 7.17. In other areas the lack of alignment creates additional administrative burdens, which if reduced should ensure that the client is able to more effectively manage the contract and deliver services.
- 7.18. For example, the client team are currently managing two separate garden waste portals, with two separate pricing structures and differing service delivery models.
- 7.19. Governance of waste services is wholly the responsibility of the individual authorities with the Waste Partnership Board set up to review the performance of the contract and services.
- 7.20. An Inter Authority Agreement (IAA) exists between East Herts Council and North Herts Council which outlines the responsibilities of each party.
- 7.21. This report explores the aim and principles of the shared waste service and how service design should be reviewed and agreed in the future, exploring opportunities related to a joint waste committee.

8. RELEVANT CONSIDERATIONS

Shared Service Aims and Principles

- 8.1. The shared waste service currently operates as one client team operating two separate service specifications. Although the overall performance of the contract for both authorities is good, operational and administrative efficiencies would exist should further alignment be agreed.
- 8.2. Although administrative efficiencies could be realised in the short and medium term, it is unlikely that genuine operational efficiencies (to the benefit of the Councils) could be realised prior to 2025 when the contract is due for renewal or extension.
- 8.3. Taking a long-term strategic look at where the services need to be in 10-20 years time and reflecting back on the necessary changes which need to be implemented to ensure the Council reaches these goals will future proof the service, develop the workforce to respond accordingly and promote a culture that focusses on waste minimisation.
- 8.4. A further strategic consideration is the performance level for each strand of the service and whether the councils long-term aim would be to maintain standards or want to meet (or exceed) government targets or performance norms.
- 8.5. In 2020/21 Hertfordshire achieved its highest recycling rate to date with an overall recycling rate of 52.4% with EHC achieving 51.5% and NHC achieving 55.9%.
- 8.6. In terms of national performance NHC is currently ranked 28th and EHC is ranked 87th out of 338 Councils/waste partnerships.
- 8.7. As identified in 8.5 recycling rate performance for both authorities currently differs significantly. Much of this difference is as a consequence of EHC operating residual waste services with a 240L wheeled bin and NHC operating residual waste collections with a 180L wheeled bin, meaning residents are more likely to recycle everything they can. The shared service wishes to develop a mechanism to support services transitioning to alignment in the long term.
- 8.8. In June 2016 the Greater Cambridge Shared Waste Service agreed to the aggregation of recycling and waste performance for official reporting to the Government's national Waste Data Flow system, our current service differences mean this is not possible for EHC & NHC. This change came about after South Cambridgeshire District Council and Cambridge City Council agreed to align services, (South Cambs got rid of their separate paper box) and this demonstrates how the alignment of services through shared services can lead to wider administrative efficiencies.
- 8.9. In consideration of the ability of EHC and NHDC to align services which differ significantly without significant additional Capital costs it will be necessary to determine the long-term vision, aims and service design rather than only consider immediate and restrictive options for change.

- 8.10. It is therefore proposed that the shared service should operate under the a new overarching aim of, ***‘Delivering high quality and well performing services which are both financially and environmentally sustainable.’***
- 8.11. A set of principles is suggested, by which, the shared service should operate and decision making be based, to encompass both EHC’s and NHDC’s aspirations for the future of the shared service.
- 8.12. The principles proposed are:
- a. Maintain and/or improve service standards through efficient working.
 - b. Achieve service improvements, greater resilience, efficiencies, cost reductions or better performance through service alignment
 - c. Deliver service changes aligned with the government’s Resources and Waste Strategy which demonstrate a net environmental benefit
 - d. Work in partnership with contractors to develop and evolve a carbon management plan identifying how operations can deliver year on year carbon savings and move towards services with net zero carbon emissions.
 - e. Improve efficiencies and enhance the offering for chargeable waste and recycling services and explore commercial opportunities
 - f. Work in partnership with contractors to explore new opportunities to reduce costs and ensure the delivery of financially sustainable services
 - g. Providing residents and customers with improved and enhanced online self-serve opportunities delivering any service changes with this in mind
 - h. Work in partnership with contractors to improve and modernise working practices and make our services an attractive place to work
 - i. Work with the Herts Waste Partnership and other partners to share knowledge, best practice, reduce waste and embed circular economy principles in service delivery.

Resources and Waste Strategy – Service Design

- 8.13. In December 2018 the government released its Resources and Waste Strategy. There have subsequently been a number of government consultations linked to this strategy. The industry is currently waiting for the outcomes of these consultations and any subsequent policy or legislative updates.
- 8.14. Outcomes are expected shortly in relation to these recent government consultations on the Resources and Waste Strategy and it is anticipated that some outcomes will impact on the current services and change the way services will need to be delivered in the future.
- 8.15. The joint waste and street cleansing contract is due for extension or re-procurement for 2025 and it is therefore necessary for the shared client team to develop a new service design and specification for this in the coming months.
- 8.16. In order for the shared client team to develop a service design reflective of the principles set out in 8.12 and which meets the anticipated changes in legislation from the Resources and Waste Strategy, it is proposed to set up a joint cross party working group between EHC & NHC.

- 8.17. Each authority would nominate cross-party members to participate in the working group and help shape the proposals for service design going forward. The Portfolio holders for each authority would also be invited. A report with key recommendations will then either be presented to a potential joint waste committee or respective meetings of the councils' Cabinet.
- 8.18. A key aim of the joint cross party working group will be to secure further alignment of services which will in turn present operational and administrative efficiencies over the medium and longer term.
- 8.19. The key areas intended for consideration by the working group are proposed as:-
- a. Customer Services
 - b. Street Cleansing Non-Core Services
 - c. Street Cleansing Core Services
 - d. Chargeable Garden Waste Collections
 - e. Waste & Recycling Non-Core Services e.g. textiles collections
 - f. Waste and Recycling Core Services
 - g. Chargeable Waste & Recycling Services
- 8.20. Draft terms of reference for the joint cross party working group are attached in Appendix A.

Delegated Decision Making

- 8.21. For the 2021/22 financial year both Councils agreed to the alignment of commercial waste and bulky waste charging across the two authorities by discussion and liaison with Executive Members and Chief Finance Officers. This was ratified at Full Council at each authority.
- 8.22. In order to achieve swift aligned decision making in the future it may be necessary to explore opportunities to amend the delegations for Executive Members in some areas to ensure consistency between each Councils decision making processes. However, until wider consideration of opportunities around aligned decision making is explored this is not proposed.

Joint Committee

- 8.23. An alternative to further delegation of decision making to the Executive Members would be to form a joint committee between the two Councils with Members from each authority.
- 8.24. The purpose of the joint committee is to act as a combined decision-making body for the two local authorities. However, as joint committees do not have separate legal personality, they are not capable of owning assets, employing staff or of being a party to a contract.
- 8.25. One partner authority (often called the 'administering' authority) employs staff, holds assets and enters into any contracts for and on behalf of all of the member authorities. The joint committee can, in effect, act as the client to any contracts with third parties or act as the governing body for a joint staff team, but it will be the administering authority that will enter into contracts or act as the employer.

- 8.26. As well as service design the joint committee could potentially make decisions into the necessary assets needed to operate services for the benefit of the whole joint service, potentially achieving benefits from economies of scale and more sharing of resources.
- 8.27. It would still be necessary to have and maintain an Inter Authority Agreement (IAA) to ensure that the roles of the administrative authority, the partner authorities and key staff are defined.
- 8.28. In addition, an IAA would identify how risk is allocated to the partner authorities and the provision of indemnities.
- 8.29. The IAA would identify how arrangements for budget setting and adopting business/service plans are made and how costs are to be shared. At the moment this is done separately by each authority with separate financial management systems being administered by the shared client team.
- 8.30. Formal joint scrutiny of executive decisions delegated to a joint committee is not possible under current local government law. This means that the ultimate power of individual authority scrutiny committees to call-in decisions of the joint committee under the provisions of their own constitutions would continue.
- 8.31. In theory, this could lead to a convoluted decision-making process whereby a decision could be called in several times by different scrutiny committees before ultimately coming into force. A possible approach towards joint scrutiny would be for the partner authorities to form a separate joint committee with delegated authority to scrutinise the partnership's decisions and operation.
- 8.32. A less formal alternative would be for the chairs of the relevant scrutiny committees in each partner authority to meet regularly with the aim of keeping local committees up to speed with the joint committees' activities and help to minimise risk of call-in.
- 8.33. It is common for partnerships to seek to limit the role of the administering authority (in a similar way to current limitations agreed under the current IAA) to strictly administrative duties in order to ensure that, on the substantive strategic, policy and operational service issues, all partner authorities have an influence commensurate with their relative membership of the joint committee. In practice, the administering authority will generally take day-to-day responsibility for HR, finance and legal issues, as well as acting as employer, contracting authority and holder of assets and liabilities on behalf of the partnership.
- 8.34. The membership of the joint committee would need to be agreed but would likely be a number of members appointed by each authority. Voting would normally be in accordance with usual local authority principles of simple majority with chair acting as casting vote.
- 8.35. A key advantage of a joint committee is quicker decision making under a tried and tested model. It ensures that 'key' decisions, as a consequence of them affecting all wards can be heard and decided to ensure the swift implementation operationally mid contract. It would also ensure joint decision making during times of service disruption (such as

Covid) can be made jointly and residents across East and North Herts can see consistency in service delivery and resilient business continuity planning.

- 8.36. Almost all decisions regarding the Shared Waste Service could be key decisions as they will most often affect all wards. From time-to-time decisions regarding relatively small changes to service design may be required. For which a decision by the Cabinet may be considered overly onerous or unnecessary for example where a change does not adversely impact on the provision of services but may be being made to improve operational performance, service delivery or reduce costs.
- 8.37. Decisions made jointly by committee regarding fundamental service design would ensure the most effective and financially sustainable model is agreed for the shared service and ensure the long-term aspirations of the service are not lost.
- 8.38. In a scenario where a joint committee is formed, this would also open up the opportunity for consideration of a new limited company or Limited Liability Partnership to act on its behalf, rather than establishing a lead/administering authority.

9. LEGAL IMPLICATIONS

- 9.1. Any proposed changes to the constitution at each Council require approval by Council at NHC and the Executive at EHC. Changes to the constitution regarding charging policies require approval by Full Council.
- 9.2. The Cabinet may establish a joint committee with the other respective authority to exercise functions of the Cabinet, and currently only Executive Members may be appointed to the proposed joint committee. Under the Constitution either the Council or the Cabinet can set up a joint committee. The joint committee may then appoint subcommittees for purposes determined by it.
- 9.3. The creation of a joint committee may require Council approval depending on what decision making powers/remit the proposed joint committee will have. Decisions relating to the budget are reserved to Council, therefore if the joint committee will have budgetary control the appointment may have to be made by Council.
- 9.4. Meetings of the Committee will be conducted in accordance with the Council Procedure Rules. The Council or the Cabinet will set out the terms of reference of the joint committee (including any limitations on its powers) upon its establishment, which may be reviewed annually.
- 9.5. Section 101(5) of the Local Government Act 1972 and section 9EA, 9EB and to the extent necessary section 105 of the Local Government Act 2000 permit two or more local authorities to appoint a joint committee to discharge any of their functions jointly.

10. FINANCIAL IMPLICATIONS

- 10.1. The revenue implications associated with this report predominantly sit with Committee Services at one of the authorities and the need for the resources and budget to manage an additional cycle of committees, this would be determined, and options discussed with both authorities, should the recommendations be agreed. Other short term revenue

implications are considered negligible however in the medium-term alignment of services should see economies of scale in some areas of service provision.

10.2. The longer-term influence of changes to decision making may impact on the revenue position for each authority in the future. The principle of maintaining financially sustainable services is therefore paramount.

10.2 There are no capital implications associated with this report.

11. RISK IMPLICATIONS

11.1. Regardless of the decision making processes agreed; each authority will retain a level of control due to the contribution of the Executive and other elected Members in all scenarios. It is however likely that an element of compromise may be required when certain decisions are being taken and it is therefore necessary to ensure the risks of unfair or unsustainable decision making is mitigated in all options by robust principles set out in the Inter Authority Agreement.

11.2. There may be the risk of a decision being made which is on balance the most advantageous solution for the partnership but may not be the most advantageous solution for an individual authority.

11.3. Risks associated with business continuity should reduce as a consequence of more alignment and a combined workforce to deliver services.

12. EQUALITIES IMPLICATIONS

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

12.2. There are no equalities implications for this report.

13. SOCIAL VALUE IMPLICATIONS

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

14. ENVIRONMENTAL IMPLICATIONS

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

15. HUMAN RESOURCE IMPLICATIONS

15.1 Current governance arrangement require a level of duplication of work for the shared client team which could reduce in a joint committee scenario.

- 15.2 The management of an additional cycle of committees will have resource implications for Committee Services at one authority

16. APPENDICES

- 16.1 Appendix A – Draft terms of reference – Cross Party Joint Working Group

17. CONTACT OFFICERS

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18. BACKGROUND PAPERS

- 18.1 [2020/21 overall performance - letsrecycle.com](https://letsrecycle.com)

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Draft Terms of Reference – Waste Cross Party Joint Working Group

1. Identify the core aims and priorities in terms of service performance, identifying our current performance levels and how these are benchmarked, considering the long-term objectives of both Councils.
2. Consider the impending changes to legislation, including environmental and financial pressures. Reviewing the current service design in relation to these factors.
3. Identify best practice and where opportunities may exist to transition towards best practice where this is both financially and environmentally sustainable.
4. Seek to achieve consensus and greater consistency of services endeavouring to benefit from greater stability and efficiencies from a common contract.
5. Identify opportunities for financial efficiencies and cost reduction in service design and delivery.
6. Consider and identify the optimal long term service design options for the Councils and how these will deliver the Councils objectives and aims and principles of the shared service.
7. Specifically, the working group will focus on:
 - a. Customer Services
 - b. Street Cleansing Non-Core Services
 - c. Street Cleansing Core Services
 - d. Waste & Recycling Non-Core Services e.g. textiles collections
 - e. Waste and Recycling Core Services
 - f. Chargeable Garden Waste Collections
 - g. Chargeable Waste & Recycling Services

East Herts Council Priorities

- **Sustainability at the heart of everything we do**
 - We will make changes to how the council manages its own premises, people and services
 - We will use our regulatory powers to promote action by others
 - We will influence and encourage others to be more environmentally sustainable
- **Enabling our communities**
 - We will invest in our places
 - We will ensure all voices in the community are heard
 - We will support our vulnerable residents
- **Encouraging economic growth**
 - We will develop new sources of income
 - We will support business growth
 - We will create viable places
- **Digital by Design**
 - We will improve the customer experience for those who use council services
 - We will work with partners to ensure our communities are digitally enabled

North Herts Council Priorities

- **People First** - People make North Herts work. We value all our residents, businesses, staff, contractors, councillors, and other partners, and place them at the heart of everything we do.
- **Sustainability** - We recognise the challenges our towns and district face and are committed to delivering services which are relevant and sustainable. In doing so we will place our environmental responsibilities, as well as sound financial planning, at the centre of our policy making.
- **A brighter future together** - We are far-sighted and plan for the long term to secure the best outcomes for our people, towns and villages, and the local economy, ensuring North Herts continues to thrive.

Waste Shared Service Aim

Delivering high quality and well performing services which are both financially and environmentally sustainable.

Waste Shared Service Principles

- a. Maintain and/or improve service standards through efficient working.
- b. Achieve service improvements, greater resilience, efficiencies, cost reductions or better performance through service alignment
- c. Deliver service changes aligned with the government's Resources and Waste Strategy which demonstrate a net environmental benefit
- d. Work in partnership with contractors to develop and evolve a carbon management plan identifying how operations can deliver year on year carbon savings and move towards services with net zero carbon emissions.
- e. Improve efficiencies and enhance the offering for chargeable waste and recycling services and explore commercial opportunities
- f. Work in partnership with contractors to explore new opportunities to reduce costs and ensure the delivery of financially sustainable services
- g. Providing residents and customers with improved and enhanced online self-serve opportunities delivering any service changes with this in mind
- h. Work in partnership with contractors to improve and modernise working practices and make our services an attractive place to work
- i. Work with the Herts Waste Partnership and other partners to share knowledge, best practice, reduce waste and embed circular economy principles in service delivery.

**REOCABINET
22 March 2022**

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: STRATEGIC PLANNING MATTERS

REPORT OF: *SERVICE DIRECTOR - REGULATORY*

EXECUTIVE MEMBER: *EXECUTIVE MEMBER FOR PLANNING & EXECUTIVE MEMBER FOR TRANSPORT*

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

1. EXECUTIVE SUMMARY

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

2. RECOMMENDATIONS

- 2.1. That the report on strategic planning matters be noted.
- 2.2. That the correspondence and information in Appendices A to C are noted and endorsed by Cabinet.
- 2.3. That the interim approach to First Homes set out in paragraphs 8.31 to 8.35 is endorsed

3. REASONS FOR RECOMMENDATIONS

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

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. None

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1. Executive Members and Deputies have been briefed on the relevant matters in this report. The Local Plan Project Board has been updated upon matters affecting the ongoing Local Plan Examination. The Strategic Sites and Masterplanning Project Board has been

established to guide and monitor progress on major development sites proposed in the District. More information is contained in the report.

6. FORWARD PLAN

- 6.1 Recommendation 2.3 is a key Executive decision that was first notified to the public in the Forward Plan on the 18 February 2022.

7. BACKGROUND

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

8. RELEVANT CONSIDERATIONS

Other Plans and Examinations

- 8.1. **Welwyn Hatfield** – In January the Council resolved to reject the option of meeting their identified housing needs in full through the identification of additional sites.
- 8.2. The [Inspector has now written a further letter to Welwyn Hatfield](#). This explains that he would be willing to consider progressing the plan based upon the identification of ten years' worth of sites to 2032. This is subject to the Council providing robust evidence demonstrating that this approach would provide and maintain a five-year land supply over that period and providing a commitment to review and update of the Plan to identify the additional supply. In the alternate, the plan should be withdrawn. The Inspector has asked Welwyn Hatfield to confirm their approach by 21 March.
- 8.3. Welwyn Hatfield are considering their response and any further update will be reported verbally at the meeting.
- 8.4. **Greater Cambridgeshire** – Consultation on [First Proposals for the new Local Plan](#) (produced jointly by South Cambridgeshire and Cambridge City Councils) ran between November and December 2021. An officer response to the consultation was submitted and is attached as Appendix A to this report.

North Hertfordshire Local Plan

- 8.5. The Council is still awaiting the publication of the Inspector's report into the new Local Plan. In February following the 'anniversary' of the Inspector formally closing the examination hearing sessions, the Executive Member for Planning wrote directly to the Planning Inspectorate seeking reassurance on the production of the report. This letter is attached as Appendix B to this report.
- 8.6. The Planning Inspectorate have responded. The response recognised the length and complexity of the examination and provided an assurance that the production of the report was a priority for both the Inspectorate and Mr Berkeley, the examining Inspector.

- 8.7. The previous report to Cabinet identified that an internal Strategic Sites and Masterplanning Project Board was being established to guide the implementation of strategic and significant housing sites. The Project Board has agreed its Terms of Reference and these are attached as Appendix C to this report. Further procedural guidance is being developed and will be reported to Cabinet once agreed by the Board.
- 8.8. To date, the Council (together with the County Council) has agreed two Planning Performance Agreements in order to seek to recover as much of its costs as possible in working with the landowner teams to prepare pre-application masterplans for the proposed development sites North of Stevenage (proposed site NS1 in the new Local Plan) and North of Letchworth (LG1). These are being progressed in line with the Masterplanning Principles approved by Cabinet in March 2021. Engagement with key stakeholders and public consultation on draft masterplan proposals is expected during 2022.
- 8.9. Other masterplans are being progressed through current planning applications lodged with the Council. Any masterplan documents produced in this way will be made available as part of the relevant planning application file [which can be viewed on line](#). Once the whole application is ready for determination, these will be presented to the Planning Control Committee. Public consultation on the first 'in application' masterplan for Highover Farm in Hitchin (proposed site HT1, available through the link above using application reference 18/00154/OP) began in January 2022.
- 8.10. Regular updates on the progress of masterplans and the work of the Project Board will be included in these reports.

Neighbourhood Plans

- 8.11. A referendum on the Ashwell Neighbourhood Plan was held on Thursday 3 March. The [result of the referendum](#) was 364 votes in favour of the neighbourhood plan and 24 votes against. A separate report will be prepared for the Executive Member to "make" the neighbourhood plan under existing delegated powers. The Ashwell Neighbourhood Plan will then form part of the statutory Development Plan and will be used in relevant decisions.
- 8.12. The Knebworth Neighbourhood Plan is subject to a separate report to this meeting.

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

- 8.13. The agenda items for the January HGB meeting are [available from the Growth Board website](#) including items on the work programme of the Board and its subsidiaries and an investment strategy.
- 8.14. AECOM have been procured by East Hertfordshire District Council on behalf of the NEC Herts authorities (Broxbourne, East Herts, North Herts, Stevenage, Welwyn Hatfield and the County Council) to undertake a Growth Study. This will examine strategic options for dealing with long-term development needs across this wider area.

Government announcements

- 8.15. The Government's Levelling Up White Paper was published in February 2022. This includes a number of broad themes and ambitions in relation to planning. However, further details of these are not expected to be provided until later in the Spring. The high-level announcements at this stage include:
- Retaining the ability of the public to have a meaningful say on individual planning applications through new digital technologies;
 - Make local plans simpler and shorter and the engagement process easier and more efficient;
 - Widening the accessibility of neighbourhood planning;
 - Developing models for a new infrastructure levy enabling local authorities to capture value from new development more efficiently;
 - Directing funding for new housing away from London and the wider south-east and to focus upon brownfield sites; and
 - Devolution deals for all parts of England that want them.
- 8.16. In January 2022, the Government released the latest Housing Delivery Test results for local authorities. This is a measure of new homes built in the preceding three years against either Local Plan targets (where these are adopted and up-to-date) or the Government's 'standard method' figures for new homes.
- 8.17. The latest results state that North Hertfordshire delivered just under half of the number of new homes required (49%). As a consequence, the Council should prepare an Action Plan outlining how it will improve delivery and apply the 'presumption in favour of sustainable development' to planning applications.
- 8.18. This is a similar result and position to the previous Housing Delivery Test results. In practical terms, the latest results make little difference. The Council has operated under the 'presumption' in considering planning applications for a number of years.
- 8.19. It was previously reported to Cabinet (July 2021) that it had been agreed with the Executive Member and Deputy that any update of the Action Plan should be delayed until the outcomes of the Local Plan examination were known. Officers consider this should remain the case. Following conclusion of the examination, the Council will be able to update its HDT results in line with the Inspector's recommendations and any subsequent Council decision and review its proposed actions in light of these.

Other transport, planning and infrastructure matters

- 8.20. **Proposed expansion for London Luton Airport**, LLAL, rebranded as Luton Rising (LR) are undertaking the second round of statutory consultation for eight weeks from 8 February to 4 April 2022 prior to submission of a Development Consent Order (DCO) for the proposed expansion to the Planning Inspectorate later this year.
- 8.21. The proposal includes an extended airfield platform, a new terminal, additional taxiways and aprons, additional parking, various airside and landside facilities, changes to surface

access, surface water management, landscaping and replacement open space – with growth being phased to 21.5mppa by 2027, 27mppa by 2039 and 32mppa by 2043.

- 8.22. North Herts Council is one of four 'host authorities' (the others being Central Bedfordshire, Luton and Hertfordshire County Council (HCC)). A host authority is one within whose administrative area part of the development would lie. A Planning Performance Agreement (PPA) had previously been signed with LR to pay for the host authorities to engage consultants to review the statutory consultation documents and submit comments on their behalf. Given this is the second statutory consultation, officers are seeking to renegotiate the PPA to secure additional funding. This does not preclude Local authorities from submitting their own individual response to the consultation. A copy of our response will be appended to a future Cabinet report.
- 8.23. Link to the online consultation documents may be viewed at <https://lutonrising.org.uk/consultation/>. Hard copies are also available to view by appointment at the CSC in the Council Offices.
- 8.24. In addition to a virtual exhibition on the website LR have also been holding a number of consultation events including at Hitchin, Whitwell and Breachwood Green – the remaining event for March following the Cabinet meeting is at: Luton on Saturday 26 March between 10:30-15:00 at Wigmore Church and Community Centre, Crawley Green Road.
- 8.25. As previously reported the Council commissioned consultants to prepare a response on behalf of the Council to the London Luton Airport S73 proposed planning conditions amendment to allow for an increase from 18 to 19 million passengers per annum. The application was presented to the Luton Borough Council Development Management Committee (DMC) on 30 November. Permission was granted. NHDC supported a letter submitted by HCC to Luton Borough Council expressing the view that the published report to the DMC on 30th November did not form a sufficiently robust basis to enable the Committee to come to a properly informed view and decision on the planning application before them. Following grant of permission HCC submitted a letter to Secretary of State (SoS) for Levelling Up, Housing and Communities to call in the application predominantly on noise grounds. The call in was successful and we are still waiting on the decision by the SoS. Any further updates will be reported at the meeting.
- 8.26. **LCWIP (Local Cycling and Walking Infrastructure Plan)** – Following the second round of workshops in December, the consultants, WSP, have analysed the comments and are in the process of preparing a table of interventions, where the various schemes will be prioritised against a scoring matrix with approximate costings. The draft plan will be submitted to the officer working group for review and comment during March/April. Once reviewed the intention will be for formally consult on the draft LCWIP in May/June.
- 8.27. **Sustainable Travel Towns** – as previously reported, Outline Plans for both Letchworth and Royston were agreed by the HCC Highways and Transport Cabinet Panel meeting on 4 Nov 2021 for inclusion in the full Sustainable Travel Town (STT) programme.
- 8.28. The Officer working groups have started to meet and are in the process of preparing and agreeing an overall work programme. This work will include developing a package of

measures that can deliver a significant switch to sustainable transport together with wider engagement with key stakeholders and local organisations.

- 8.29. **Department for Transport Rural Mobility Fund** – the new DRT (Demand Responsive Transport) bus service, branded HertsLynx commenced in September 2021. This provides a pre-booked taxi-like service between rural locations and key destinations in north and east Hertfordshire towns – Stevenage, Hitchin, Letchworth, Baldock, Royston, Buntingford and Bishops Stortford. Uptake has grown faster than forecast, despite COVID. Users include students travelling to schools and colleges, commuters, as well as concessionary pass holders. Some early service glitches and delays have largely been ironed out, and customer satisfaction is high, with close to 95% of reviews being 4 or 5 out of 5. The financial performance will become clearer once we have a few months' worth of data after the Covid Plan B restrictions were lifted.
- 8.30. **EV Charging Strategy** – The County Council is continuing to consult with districts and boroughs to develop a strategy around installing electric vehicle charging points. North Herts will shortly have access to the EV Ready Toolkit, a mapping service that will help officers identify how growing demand may best be satisfied with charging points at destinations (workplaces, supermarkets, leisure centres, etc), hubs (car parks, fuel stations and dedicated charging stations), and on-street.
- 8.31. **First Homes** – It was previously reported to Cabinet (June 2021) that the Government had announced a new affordable housing product called 'First Homes'. To recap, First Homes are discounted market sale housing which:
- must be discounted by a minimum of 30% against the market value;
 - are sold to a person or persons meeting the First Homes eligibility criteria (see below);
 - on their first sale, will have a restriction registered on the title at HM Land Registry to ensure this discount (as a percentage of current market value) and certain other restrictions are passed on at each subsequent title transfer; and,
 - after the discount has been applied, the first sale must be at a price no higher than £250,000 (or £420,000 in Greater London).
- 8.32. The introduction of First Homes was subject to a series of transitional arrangements. Some of these key transitional arrangements expire on 28 March 2022. At the time First Homes were announced it had been anticipated that a decision on adoption of the Council's new Local Plan and / or supporting supplementary documents would have taken place prior to the expiration of the transitional arrangements. However, it is now necessary to consider interim arrangements. National policy requiring the inclusion of First Homes is a material planning consideration on all applications where affordable units are sought
- 8.33. Officers have a number of concerns over First Homes as a product. These include (but are not limited to):
- The genuine affordability of this product to local residents that require assistance with their housing needs;
 - The potential 'displacement' of other forms of affordable housing; the combination of the 30% discount and £250,000 price cap means that smaller (1- and 2-bed) units

are likely to be the most attractive option for developers to provide as First Homes but these are the unit types where there is the most pressing need to secure affordable homes for rent;

- The potential impacts upon the viability of schemes to the detriment of affordable housing provision or other policy requirements or contributions; and
- The potential administrative burdens on the Council, particularly in relation to monitoring and enforcement, given any First Homes would not be transferred to a Registered Provider.

8.34. These issues will be further explored through (i) an update to the Council's 2016 Strategic Housing Market Assessment and (ii) a revised / updated draft Developer Contributions Supplementary Planning Document (previously reported to Cabinet in July 2021) to formally set out the Council's policy position. These projects were being held in abeyance pending the outcomes of the Local Plan examination but, given the need for up-to-date advice, will now be progressed and reported to Cabinet later in the summer.

8.35. In the interim, officers recommend that any request to include First Homes as part of the affordable housing mix is considered on its merits on a case-by-case basis. The provision of First Homes will be supported where it would not adversely impact upon:

- the overall proportion of affordable housing that can be achieved on site having regard to the targets in Policy HS2 of the emerging Local Plan and saved Policy 29a of the 1996 District Local Plan;
- the proportion of rented housing that can be achieved on site having regard to the emerging Local Plan requirement for 65% of affordable homes to be rented;
- the mix of rented housing indicated as being required by the Council's Strategic Housing Market Assessment or other relevant evidence (e.g. local needs assessments or the housing waiting list); and
- any other policy requirements or contributions that have been properly tested through the Local Plan examination

9. LEGAL IMPLICATIONS

9.1. Under the Terms of Reference for Cabinet, the Constitution states that it may exercise the Council's functions as Local Planning Authority and receive reports on strategic planning matters, applications for, approval/designation, consultation/referendums revocations (or recommend revocation) of neighbourhood plans and orders, (except to the extent that those functions are by law the responsibility of the Council or delegated to the Service Director: Regulatory).

9.2. The preparation of statutory plans is guided by a range of acts and associated regulations including the Planning and Compulsory Purchase Act 2004 (as amended) and the Localism Act 2011. All local planning authorities are bound by a statutory Duty to Co-operate on cross-border planner matters.

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

10. FINANCIAL IMPLICATIONS

- 10.1. The costs of preparing the Local Plan have been reviewed on a regular basis and are reported through the quarterly revenue monitoring reports to Cabinet.
- 10.2. The general costs of preparing other planning documents, responding to consultations on neighbouring authorities' Plans, neighbourhood plans and Government consultations and the other activities identified in this report are met through existing revenue budgets or benefit from external funding or other arrangements to recover costs.
- 10.3. The report refers to Planning Performance Agreements. Although these represent a new process and income stream, they do not necessarily represent additional monies to the Council at this stage. Prior to the introduction of masterplanning requirements, the negotiation of significant planning applications would have taken place under the Council's charged pre-application advice service and / or through the planning application. This will continue to be the case in some instances. Planning application fees are set nationally. The Council sets local income targets for pre-application advice and planning applications to inform budgeting and budget monitoring.
- 10.4. Income from PPAs will, in the short term at least, reflect a displacement of potential income from the above. Given the way PPAs are structured, with phased payments at key stages of the process, there will be only a relatively nominal income at this late stage of the financial year. Officers will monitor anticipated and actual PPA income and the relationship between PPA, pre-application and planning application income and reflect this as required in budget monitoring and / or targets during 2022/23. PPA income may be used to offset any shortfalls in the other income streams.

11. RISK IMPLICATIONS

- 11.1. Sustainable Development of the District and the Local Plan are both Corporate Risks. The Sustainable Development of the District has a sub-risk that covers the risks arising from the duty to co-operate with neighbouring authorities.
- 11.2. An initial review of the existing risks for planning and development has been undertaken. It was concluded that it was best to revisit these risks once the Inspector's report has been received and / or any final decision on adoption of the new Local Plan has been taken. Reviews will also reflect the new approach to setting and monitoring Corporate Risks.

12. EQUALITIES IMPLICATIONS

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

13. SOCIAL VALUE IMPLICATIONS

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

14. ENVIRONMENTAL IMPLICATIONS

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

15. HUMAN RESOURCE IMPLICATIONS

- 15.1. The approved budget for 2022/23 includes funding for additional posts in the planning service. Recruitment is currently ongoing to four posts across the Strategic Planning and Development Management teams.
- 15.2. The (potential) resource impacts of First Homes will be kept under review. As set out in paragraph 8.34, there are potential new and additional administrative, monitoring and enforcement burdens for the Council. These may require additional resource in the future.

16. APPENDICES

- 16.1. Appendix A – NHDC Response to Greater Cambridgeshire Reg. 18 consultation
- 16.2. Appendix B – Letter from Cllr Ruth Brown to the Planning Inspectorate
- 16.3. Appendix C – Strategic Sites and Masterplanning Project Board – Terms of Reference

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18. BACKGROUND PAPERS

- 18.1 [Local Plan Implementation – Report to Cabinet March 2021](#)
- 18.2 [Strategic Planning Matters – Report to Cabinet June 2021](#)
- 18.3 [Developer Contributions SPD – Report to Cabinet July 2021](#)
- 18.4 [Strategic Planning Matters – Report to Cabinet December 2021](#)
- 18.5 [Government guidance on First Homes](#)

Greater Cambridgeshire Partnership
Strategic Planning

Online submission only

Our Ref:

Your Ref:

Contact: Clare Skeels

Direct Dial No: 01462 - 474424

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13 December 2021

Dear Sir

Greater Cambridge Local Plan – First Proposals

Thank you for the opportunity to comment on the First Proposals of the Greater Cambridge Local Plan 2041.

The consultation document clearly sets out the development strategy for Greater Cambridge for the period up to 2041 and the Council recognises that there is a significant amount of development proposed. At this stage in the plan making process, the Council does not wish to make any detailed comments about the proposed development strategy set out in the consultation document, given that the significant proposals are situated to the north of Cambridge and there will be a more limited impact for North Hertfordshire.

As you will be aware, North Herts Council is anticipating receipt of the Inspector's report for our Local Plan for the period up to 2031. The Council has committed to undertaking an early review of the Local Plan for the period beyond 2031 and it maybe that there will be cross boundary issues to discuss further between the authorities once this review starts.

During our local plan examination, the Council has recognised that continuous, incremental growth for the towns and villages in North Hertfordshire may not be the most appropriate growth strategy in the future. It has also already resolved to fully explore options for a new settlement in the longer term. Other Hertfordshire authorities are similarly constrained in their ability to meet future development needs and this could result in outward pressure for growth.

In an action coming out of our local plan examination, the Council has agreed with Natural England to prepare a mitigation strategy for the Therfield Heath SSSI, to the west of Royston. The Heath is a sensitive location and additional recreational pressures arising from developments, particularly within the SSSI Zones of Influence will need to be considered in the future.

Any proposed development along or close to the A505 will have an impact on North Hertfordshire, positively in terms of increased employment opportunities or negatively in terms of additional traffic using the A505. The significant employment sites at Duxford, Granta Park, the Wellcome Genome Campus and the Babraham Institute are currently only accessible by car from

North Hertfordshire. The recommendations from the current A505 corridor studies could have a bearing on the attractiveness of these sites to North Herts residents and on traffic levels through North Herts.

There is a similar issue with the A10, which is the most direct route for North Herts residents to Cambridge and the Cambridge Biomedical Campus. With the Campus set to expand, more trips will be drawn into the site. Residents in North Herts will be well placed to take jobs or use the facilities at the Campus. Some of the additional trips will be by car on the A10 which would have a significantly negative impact on Royston. The consented, but as-yet unbuilt, car parks on the Campus site, and the planned 'travel hubs' at Hauxton and Foxton will all potentially generate more car trips along the A10.

This pressure on the A10 may be relieved to some extent by the creation of Cambridge South railway station. But that will create different pressures in North Hertfordshire, in terms of passenger throughput and access to its stations – Royston, Ashwell & Morden, Baldock, Letchworth and Hitchin. Although the onus will be on North Herts, Hertfordshire and Great British Railways (or the train operating company) to address those pressures, those bodies will need data from the Greater Cambridge Planning Service to help quantify those pressures and respond appropriately to them – in terms of timely funding and installation of enhanced cycling and walking infrastructure at the stations.

The role of Royston as a local centre for the communities in the southern areas of Cambridgeshire should also be recognised and where development is proposed, the policies in the Greater Cambridge Local Plan should allow for appropriate contributions to be made for sustainable travel projects which will support the role of Royston for these communities.

We would welcome further discussions about potential longer term cross boundary issues as both the Greater Cambridge and North Hertfordshire plans progress.

Yours faithfully

Clare Skeels
Senior Planning Officer

Mr Jeremy Youle
Professional Lead – Local Plans
The Planning Inspectorate

By email only

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9 February 2022

Dear Mr Youle,

North Hertfordshire Local Plan examination

This month marks one year since the close of the second round of our Local Plan examination hearings in February 2021.

Our Plan was submitted for examination in June 2017, more than four and a half years ago. Consultation on proposed Further Main Modifications closed in July 2021. We were originally advised we could expect to receive our report in early Autumn 2021. This was revised to November 2021. We were then advised this deadline would not be met and no further updates on a potential timetable would be provided. The latest public correspondence from our appointed Inspector, Mr Simon Berkeley, is available to view on our website:

https://www.north-herts.gov.uk/sites/default/files/2021-11/ED234B%20%20%20Letter%20to%20NHDC%2014.11.21%20_0.pdf

In line with Mr Berkeley's letter, the Council has not sought any further update since November. However, a further three months have now passed and we were concerned when our Programme Officer, Ms. Louise St. John Howe, recently advised us that Mr Berkeley is still not able to give a timescale for when he is likely to finish his report or submit a draft to your internal quality assurance procedures.

Given the anniversary, on-going interest from residents, politicians and other parties and the age of our current plan / length of the examination to date, the Council would like to seek your assurance that Mr Berkeley is being given the time necessary to complete his

final report and that any workload from other examinations and responsibilities is being appropriately monitored and managed to allow this to happen in a timely fashion.

We recognise our examination deals with a number of complex issues including proposed Green Belt releases and accommodating unmet development needs from adjoining authorities. Local communities and representatives were grateful for the extent to which Mr Berkeley accommodated their submissions during the public hearing sessions.

However, in broader terms, we are also concerned with our declining 5-year land supply and costly appeals in the absence of an adopted and up-to-date Local Plan. There are reputational risks to the Council from this and the time being taken to resolve the examination in light of the Government's ambitions for a more responsive planning system.

We are keen to have the opportunity to adopt an up-to-date Local Plan that would allow for the delivery of much-needed new homes in the most appropriate locations and give protection to other areas of our District that may otherwise be vulnerable to hostile applications and appeals.

Yours sincerely

Cllr Ruth Brown
Deputy Leader and Cabinet Member for Planning
North Hertfordshire District Council

North Hertfordshire Strategic Sites and Masterplanning Project Board

Terms of Reference – January 2022

Purpose of the Board

- 1 The purpose of Strategic Sites and Masterplanning Project Board (“the Board”) is to support the implementation of Policy SP9 Design & Sustainability in the proposed North Hertfordshire Local Plan 2011-2031 (“the Local Plan”) in relation to:
 - Strategic Housing Sites (Policies SP14 to SP19 of the Local Plan);
 - Local Housing Allocations (Policy HS1 of the Local Plan) that fall within the definition of significant development [generally taken to be schemes of 100 homes or more]; and
 - Any comparable, speculative proposals or planning applications for significant or strategic housing development on sites not allocated in the Local Plan
- 2 Policy SP9 states (inter alia):

The Council require Strategic Masterplans to be produced for Strategic Housing Sites and significant development by the landowner/applicant in collaboration with the Council and subject to consultation with key stakeholders and the community.

To ensure sites are comprehensively planned and delivered planning applications should be preceded by and consistent with a Strategic Masterplan agreed by the Council.

Where applications have already been submitted to the Council a Strategic Masterplan should be agreed with the Council prior to or as part of the grant of planning permission.

In some circumstances a Strategic Masterplan will be required to consider the cumulative impact of more than one site to support a co-ordinated and integrated approach to place-making and design.
- 3 The Board will be advisory and established under normal internal meeting project management principles. The meetings of the Board are not public meetings, but in the interests of openness and transparency minutes will be taken and made available on request.
- 4 The Council will continue to exercise its statutory function as local planning authority through the existing decision-making routes and structures but with the added benefit of clear reporting and recommendations from the Board.
- 5 The consideration and approval of Strategic Masterplans (or any matters relating thereto) will not prejudice the consideration of planning matters at planning

application stage. The Strategic Masterplan is a requirement of the Council set out in Policy SP9 of the Local Plan.

- 6 Any approved Strategic Masterplan will be a material consideration in the assessment and determination of any future planning applications at both officer level and at planning committee that would demonstrate how the policy requirements of Policy SP9 have been met.

Core Functions

- 7 The advisory role of the Board is to:
 - Inform place specific visions for the Strategic Housing sites that support sustainable communities.
 - Provide corporate oversight and strategic direction to the implementation of strategic site project delivery.
 - Ensure consistency of corporate direction and decision-making from the strategic to the site-specific and over time;
 - Ensure effective use of and sufficient resources to support project delivery
 - Receive and consider progress reports and recommendations for approval of Strategic Masterplan documents.
 - Agree approval process and timing for Strategic Masterplans
 - Help with the resolution and or co-ordination of strategic issues, including identification and prioritisation of green, social and physical infrastructure and s106 obligations.
 - To provide, where applicable, a recommendation to the Service Director: Regulatory on the draft masterplan documentation to be subject to formal public consultation;
 - To provide, where applicable, a recommendation to the Service Director: Regulatory on the final draft Strategic Masterplans and recommending their formal approval by the Council to Cabinet and Full Council (where this applies)

Membership

- 8 The planning, design and delivery of strategic sites are long-term projects. They are highly likely to span a number of political cycles and leaderships. Cross-party representation with a political balance is therefore required. This will ensure a consistent approach to delivering a place-based vision and sustainable and well-designed new communities.
- 9 The political membership of the Board will consist of one nominated Member and one nominated deputy for each political Group elected to the Council which shall normally include the Executive Member for Planning and any deputy or shadow for this portfolio.

- 10 Membership shall be reviewed and updated as required at the start of each civic year or cycle or as otherwise agreed by the Board.
- 11 Political membership for the 2021/22 civic year is as follows:

Party	Conservative	Labour	Liberal Democrat
Board Member	Cllr Ian Moody	Cllr Ian Mantle	Cllr Ruth Brown (Chair)
Nominated deputy	Cllr Claire Strong	Cllr Elizabeth Dennis-Harburg	Cllr Tom Tyson

- 12 Officer membership of the Board will consist of the Managing Director and Service Director – Regulatory.
- 13 The project manager of the Strategic Sites Steering Group (or any nominated deputy in their absence) will attend meetings of the Board supported by other members of the Strategic Sites Steering Group as required to deliver reports and updates.
- 14 Administration of the group including the taking of minutes will be the responsibility of the Strategic Sites Technical Support Officer.
- 15 Other Council officers and members will be invited to meetings as and when required. This may include other Executive Members, senior managers, consultants or where appropriate an external body representative.

Roles and Responsibilities

- 16 Board Members should:
- Implement the core functions of the Board;
 - Have the responsibility to represent their Group and to feedback information to other relevant individuals/groups;
 - Act as ‘champions’ for high quality design and place leadership in new communities and new development;
 - Make every effort to prioritise attendance at scheduled meetings and to ensure a substitute is nominated from the same organisation.

Chairing

- 17 The Chair will be the relevant Executive Member for Planning. In the absence of the Chair at any meeting the Board may elect someone to preside over the meeting.

Meetings

- 18 Meetings will be held monthly at a regular time and day to be agreed.
- 19 The agenda for each meeting will be prepared by the Strategic Sites Steering Group and circulated to Board members at least 5 working days in advance of the meeting. Draft minutes will be circulated within 2 weeks of the meeting.

Decision Making and Reporting Lines

- 20 Whilst the Board has overall responsibility for recommending the approval of Strategic Masterplans to Cabinet and Full Council (supported by officer advice and recommendations where this is relevant) it has no statutory decision-making powers.
- 21 The Board will seek to make recommendations on a consensus basis. Where Board consensus is achieved, the recommendation will, where required, be presented or reported to Full Council or other relevant committee(s) by the Service Director: Regulatory.
- 22 Where consensus is not achieved, the outcome will be noted and, where required, reported to the appropriate decision-making committee.
- 23 The Board will receive reports and progress updates from the Strategic Sites Steering Group which will focus on the day-to-day resourcing and management of the Strategic Masterplan process and outcomes.
- 24 The Board will be asked to consider pre-application / pre-planning permission Strategic Masterplan material at the draft and final draft stages as identified in the Core Functions.