

**NORTH HERTFORDSHIRE DISTRICT COUNCIL**



10 September 2021

Our Ref    Council/23 September 2021  
Contact.    Committee Services  
Direct Dial. (01462) 474655  
Email.

To:    The Chair and Members of North Hertfordshire District Council

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

to be held in the

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

on

**THURSDAY, 23 SEPTEMBER 2021**

at

**7.30 PM**

Yours sincerely,

Jeanette Thompson  
Service Director – Legal and Community

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

## **Agenda**

### **Part I**

<b>Item</b>	<b>Page</b>
<b>1. APOLOGIES FOR ABSENCE</b>	
<b>2. MINUTES OF MEETING ON 8 JULY 2021</b> To take as read and approve as a true record the minutes of the meeting of the Committee held on the 8 July 2021	
<b>3. NOTIFICATION OF OTHER BUSINESS</b> Members should notify the Chair of other business which they wish to be discussed at the end of either Part I or Part II business set out in the agenda. They must state the circumstances which they consider justify the business being considered as a matter of urgency.  The Chair will decide whether any item(s) raised will be considered.	
<b>4. CHAIR'S ANNOUNCEMENTS</b> <u>Climate Emergency</u> The Council has declared a climate emergency and is committed to achieving a target of zero carbon emissions by 2030 and helping local people and businesses to reduce their own carbon emissions.  A Cabinet Panel on the Environment has been established to engage with local people on matters relating to the climate emergency and advise the council on how to achieve these climate change objectives. A Climate Change Implementation group of councillors and council officers meets regularly to produce plans and monitor progress. Actions taken or currently underway include switching to green energy, incentives for low emission taxis, expanding tree planting and working to cut food waste.  In addition the council is a member of the Hertfordshire Climate Change and Sustainability Partnership, working with other councils across Hertfordshire to reduce the county's carbon emissions and climate impact.  The Council's dedicated webpage on Climate Change includes details of the council's climate change strategy, the work of the Cabinet Panel on the Environment and a monthly briefing on progress.  <u>Declarations of Interest</u> Members are reminded that any declarations of interest in respect of any business set out in the agenda, should be declared as either a Disclosable Pecuniary Interest or Declarable Interest and are required to notify the Chair of the nature of any interest declared at the commencement of the relevant item on the agenda. Members declaring a Disclosable Pecuniary Interest must withdraw from the meeting for the duration of the item. Members declaring a Declarable Interest, wishing to exercise a 'Councillor Speaking	

Right', must declare this at the same time as the interest, move to the public area before speaking to the item and then must leave the room before the debate and vote.

**5. PUBLIC PARTICIPATION**

To receive petitions, comments and questions from the public.

**6. NOTICE OF MOTIONS**

To consider any motions, due notice of which have been given in accordance with Standing Order 4.8.12.

**7. QUESTIONS FROM MEMBERS**

To consider any questions submitted by Members of the Council, in accordance with Standing Order 4.8.11 (b).

**8. ITEMS REFERRED FROM OTHER COMMITTEES**

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

**9. MEDIUM TERM FINANCIAL STRATEGY**

To consider the Medium Term Financial Strategy.

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**10. COUNCIL PLAN 2022-2027 AND COUNCIL OBJECTIVES FOR 2022-2027**

To consider the Council Plan 2022-2027 and Council Objectives for 2022-2027

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**11. COUNCILLORS PARENTAL LEAVE POLICY REPORT**

This report provides a draft Councillor Parental Leave Policy for approval. This would introduce a right to such leave, that would potentially stretch to beyond 6 months, with continued allowances.

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**12. ELECTORAL CYCLE CONSULTATION**

To consider and approve public consultation on whether to retain the current electoral cycle of elections by thirds or to move to whole council elections.

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<b>FINANCE, AUDIT AND RISK COMMITTEE</b> <b>15 SEPTEMBER 2021</b>
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<b>*PART 1 – PUBLIC DOCUMENT</b>
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**TITLE OF REPORT: MEDIUM TERM FINANCIAL STRATEGY**

REPORT OF: *Service Director- Resources*

EXECUTIVE MEMBER: *Finance and IT*

COUNCIL PRIORITY: BE A WELCOMING, INCLUSIVE AND EFFICIENT COUNCIL / BUILD THRIVING AND RESILIENT COMMUNITIES / RESPOND TO CHALLENGES TO THE ENVIRONMENT / ENABLE AN ENTERPRISING AND CO-OPERATIVE ECONOMY / SUPPORT THE DELIVERY OF GOOD QUALITY AND AFFORDABLE HOMES

**1. EXECUTIVE SUMMARY**

This report recommends the Medium Term Financial Strategy (MTFS) for 2022/23 to 2026/27 to guide and inform the Council's Business Planning Process. The focus is primarily on setting a budget for 2022/23, as well as determining the actions that will be necessary in setting a longer term budget following on from that. It reflects on the many uncertainties that the Council faces, including impacts of Covid-19. Whilst it recommends a five year budget strategy, there is likely to be a need to amend the strategy over time as further information becomes available.

The MTFS supports and is supported by the Council Plan. This reflects that the Council can only deliver priorities and projects that it can afford and should prioritise its spending around delivering its priorities.

**2. RECOMMENDATIONS**

- 2.1. That Finance, Audit and Risk Committee note and comment on the Medium Term Financial Strategy.
- 2.2. That Finance, Audit and Risk Committee recommend to Cabinet that they recommend to Full Council the adoption of the Medium Term Financial Strategy 2022-27 as attached at Appendix A.

**3. REASONS FOR RECOMMENDATIONS**

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

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

- 4.1 The Council needs to have a strategy for setting its budget to ensure that it meets its statutory duty to set a balanced budget over the medium term, and ensure that spend is prioritised towards delivering statutory services and its strategic aims (as set out in the Council Plan).
- 4.2 In line with the Financial Management Code (published by the Chartered Institute of Public Finance and Accountancy), the Council aspires to set a longer-term financial strategy (e.g. 10 years) that considers the various risks and plans scenarios to deal with them. However this MTFS deliberately takes a shorter-term view, which reflects the significant uncertainty faced in relation to the continued response to, and recovery from, Covid-19.

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

- 5.1 The Executive Member for Finance and IT (and Deputy) and the Leader of the Council (and Deputy Leader) have been consulted in developing this Strategy.
- 5.2 No external consultation has been undertaken in the preparation of this report.
- 5.3 Members will be aware that consultation is an integral part of the Corporate Business Planning process, and consultation on the individual actions and projects planned to support the Objectives will be carried out in accordance with the Corporate Business Planning Timetable and the Council's Consultation Strategy.
- 5.4 As in previous years, Member workshops will be held in regard to corporate business planning proposals.

#### **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 Council is required to set a balanced budget each year. This can include using reserves if this is affordable over the medium term. The Council therefore sets a 5 year Medium Term Financial Strategy each year to help determine the approach that it will take to setting the detailed budget for the following year.

#### **8. RELEVANT CONSIDERATIONS**

- 8.1 The Medium Term Financial Strategy is attached as Appendix A. It details the forecast impact of reducing resources and quantifies what the Council will need to do to balance its budget in the medium term. It also reflects the significant uncertainty over funding, expenditure and income and therefore highlights the need to be able to react to any changes.

#### **9. LEGAL IMPLICATIONS**

- 9.1 Cabinet's terms of reference include at 5.6.38 the power, by recommendation "to advise the Council in the formulation of those policies within the Council's terms of reference". Council's terms of reference include at 4.4.1(b) "approving or adopting the budget". The MTFS is part of the budget setting process.
- 9.2 Councillors are reminded of the requirement, under section 30 of the Local Government Finance Act 1992, to set a balanced budget prior to the commencement of the financial year in question; and also that the Local Government Act 2003 requires the Chief Finance Officer to report on the robustness of estimates and the adequacy of reserves allowed for in the budget.

## **10. FINANCIAL IMPLICATIONS**

- 10.1 Revenue financial implications are covered in Appendix A.
- 10.2 The main purpose of the Medium Term Financial Strategy is to consider the revenue funding, income and expenditure for the Council. This includes considering the revenue implications of capital expenditure which are linked to the reduced income from treasury investments (as capital reserves are spent) and the costs of borrowing (which is forecast to be required when capital reserves are used up). The Strategy also considers discretionary capital spend (i.e. not directly linked to continuing service delivery) and the need to deliver value for money. This would include using capital expenditure to reduce revenue costs or generate income.

## **11. RISK IMPLICATIONS**

- 11.1 The key risks within the budget assumptions are referred to in Appendix A.
- 11.2 There are financial and reputational risks involved in arriving at a balanced budget against the uncertainty surrounding levels of government funding. We seek to mitigate the risks by scenario planning, use of the established corporate business planning process and early involvement of members in the process. The Council has a Corporate Risk of "Managing the Council's Finances". This is monitored by the Finance Audit and Risk Committee. Having a MTFS is a key mitigation to this risk.

## **12. EQUALITIES IMPLICATIONS**

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2 The MTFS attempts to align resources to the delivery of the Council Plan, which sets the corporate objectives. Through its corporate objectives the Council is seeking to address equality implications in the services it provides and through the remainder of the Corporate Business Planning Process will carry out Equalities Impact Assessments for relevant Efficiency or Investment options.

## **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 MTFS makes assumptions in relation to pay inflation. As the actual rate of inflation will be subject to national pay bargaining, the actual costs will depend on the results of those negotiations. The budget also makes assumptions around funding for increments. The budget does not make any allowance for pay increases above inflation. This means that there will be no improvement to the Council's ability to attract staff in relation to pay, which will particularly impact on difficult to fill posts. The Human Resources Team and the Leadership Team continually try to identify staff benefits that are not related to pay, and therefore more affordable.
- 14.2 The delivery of projects to deliver council objectives depends on having adequate people resources with the requisite skills.
- 14.3 The development of budget proposals will take up staff time. As they are developed these budget proposals will identify the ongoing impact on staff.

## **16. APPENDICES**

- 16.1 Appendix A- Medium Term Financial Strategy

## **17. CONTACT OFFICERS**

- 17.1 Ian Couper, Service Director: Resources [ian.couper@north-herts.gov.uk](mailto:ian.couper@north-herts.gov.uk); ext 4243
- 17.2 Jo Keshishian, HR Services Manager [jo.keshishian@north-herts.gov.uk](mailto:jo.keshishian@north-herts.gov.uk), ext 4314
- 17.3 Reuben Ayavoo, Policy and Community Engagement Manager, [reuben.ayavoo@north-herts.gov.uk](mailto:reuben.ayavoo@north-herts.gov.uk), ext 4212
- 14.4 Isabelle Alajooz, Legal Commercial Team Manager and Deputy Monitoring Officer, [Isabelle.alajooz@north-herts.gov.uk](mailto:Isabelle.alajooz@north-herts.gov.uk), ext 4346

## **18. BACKGROUND PAPERS**

- 18.1 *None*



North Hertfordshire Council  
Medium Term Financial Strategy  
2022-27

[cover page that is the same as or similar to the Council Plan]

**Purpose of the Strategy**

This strategy sits alongside the Council Plan for the same period. It sets out our financial forecasts over the next 5 years and how we will manage the funding that we think we will have available to deliver as much as we can in line with our priorities.

The strategy is heavily affected by Covid-19. The impact that we have had to fund so far has reduced the level of our reserves. We have to consider the impact on our costs and income in the future. We also have to face the continued uncertainty over our future funding. All this means that we are likely to have less time to react as the financial outlook becomes clearer.

We have also needed to consider this strategy when setting our Council Plan, as we can't promise to deliver things that we can't afford. The detailed projects contained within the Council Plan have been incorporated in to our forecasts.

**Delivering our Vision and Priorities**

Our vision and priorities are set out in detail in our Council Plan.

Our vision is to put people first, delivering sustainable outputs, as we look to a brighter future together. Our priorities therefore focus on: People First, Sustainability and a Brighter Future Together.

Most of the money that the Council spends is on delivering statutory services. We will always look to deliver these services in line with our priorities. Even as our funding has continued to reduce, we have tried to maintain our ability to offer discretionary services that are linked to our priorities. Our forecasts are that we will need to further reduce our costs in the future. This will mean that difficult decisions may need to be taken. We will make those decisions in line with our priorities.

Some of what we might like to achieve uses up resources (such as money, staff time or energy). We will look to be creative in identifying opportunities that deliver our priorities without using up resources.

**Looking forward**

We would like to use this document to provide a long-term (10 year) overview of our future funding, and risks and opportunities in relation to our spending and income. Unfortunately, we are faced with such significant uncertainty in the short to medium term in relation to our future funding from Government, Brexit impacts and recovery from Covid-19, that our focus has to be on that. That means that this strategy is focused on the next 5 years, with a particular focus on the next 2-3 years.

Over the last few years, we had taken the opportunity to increase the level of our general fund reserves. The plan was that they would be used to soften the impact of expected future funding reductions. We have been using these reserves to respond to Covid-19 and expect that this need will continue. If our financial recovery from Covid-19 is fairly quick, then some of the reserves may still be available for their initial purpose.

This strategy is based on significant uncertainty and as better information becomes available then this will be used. The budget that we set in February will be focused on 2022/23, but will also consider the medium term impact.

## Our current budget position

Our budget for this year (2021/22) was set at a meeting of Council in February 2021. This also set indicative budgets for future years. In June 2021 we reported our end of year position for 2020/21. This report also detailed spend that had not taken place in 2020/21, that would now take place during 2021/22. The numbers below also reflect our forecasts for 2021/22 as reported at the end of the first quarter of the year (up to end of June).

	£ millions
General Fund balance at the end of 2020/21	8.87
Less: How much we plan to spend during 2021/22	(19.36)
Add: Our expected funding during 2021/22	15.14
Add: other reserves that we plan to use to fund our expenditure *	2.91
Equals: General Fund balance at the end of 2021/22 (start of 2022/23)	7.56

\* We can only use our reserves once. The use of reserves in response to Covid-19 is exceptional and can not form part of a sustainable strategy.

We also have a Special Reserve which was set-aside for a number of purposes, including the delivery of transformation projects and if contract prices go up by a significant amount when they are re-let. The balance on this reserve at the end of 2020/21 was £0.74m. It is being used to fund a team that is looking at how technology can be used to automate processes and improve the ways that residents can contact us. It is also being used for Covid-19 community support grants, although the majority of these are now being funded from some grant money that we have secured. The total expected spend this year is £0.09m. That will leave a remaining balance of £0.65m. This balance will be transferred into the General Fund in 2022/23.

We also have a Business Rates grant reserve. Government provide business with various Business Rate reliefs and provide us with funding to cover them. Due to the way that Business Rate income is dealt with, we often receive the funding earlier than the actual impact on our accounts. So, the funding is put in to a reserve until it is needed. In the past we have also gained from Business Rate pooling arrangements, and have put these gains in to the reserve to protect us from future risks. The total balance on the reserve as at the end of 2020/21 was £14.35m. We know that we will need to use around £10.4m over the three years (2021/22 through to 2023/24) to cover the Covid-19 impact on Business Rates from 2020/21. We will also use £2.5m of the accumulated pooling gains to help balance the budget in 2021/22 and 2022/23. We will review the remaining balance as part of the budget-setting process to see if more can be released in to our General Fund balance.

The following sections consider the significant factors that impact on us setting a budget for the next 5 years, including the assumptions made and the impact of those on setting a balanced budget.

## Covid-19 impacts

We made the following assumptions when setting the budget for 2021/22:

- £2m of support to Stevenage Leisure to enable our leisure centres to reopen as Government restrictions were lifted
- We would not receive any payment from Hertfordshire County Council in relation to the Waste Alternative Financial Model (AFM). The AFM provides a financial reward to Districts for encouraging recycling and minimising residual waste. The reward is paid a year behind, so the reward we receive in 2021/22 will be based on performance in 2020/21.
- We increased the minimum General Fund balance by £0.5m to reflect the expected (but unknown) risk to other areas of our budget. This includes the cost of homelessness provision, income from parking, the net cost of disposing of recyclable materials, income from Trade Waste and income from bookings and events at Hitchin Town Hall.

- We assumed that the number of residents eligible for the Council Tax Reduction Scheme would continue to be high and off-set any growth in the overall number of properties. Previously we had assumed at least 1% per year growth in the number of properties in the District, and a net 1% increase in Council Tax income.

Our income levels have started to improve as lockdown restrictions have eased. In July 2021, car parking income was up to about 80% of the level in 2019/20. Stevenage Leisure Limited have seen increases in gym and swimming lesson memberships. Whilst events are now taking place at Hitchin Town Hall, the speed and extent of recovery is very uncertain. The recovery in these areas is only likely to continue if there are no further periods of restrictions. They may also never return to pre-pandemic levels.

For those areas of spend and income that have a more direct link to economic recovery and changes to the way business operates (e.g. trade waste, homeless provision and car park season tickets) there is even more uncertainty.

The net cost of disposing of recyclable materials is also very uncertain. This is dependent on global markets and even before the pandemic these could be very volatile.

The receipt of AFM payments will depend on general changes in waste volumes (e.g. a general move to working from home may mean an ongoing increase in residential waste) and how much of it our residents recycle. We will assume a gradual transition back to pre-pandemic levels.

It would not be sensible to try and forecast future year impacts for individual budgets, but it does seem prudent to set an overall provision for recovery across the next two years (in 2022/23 and 2023/24). This will be instead of increasing the level of the minimum General Fund balance. The basis for setting the provision in each year is set out below:

Type of spend/ income	Normal budget (£m)	Basis of provision for 2022/23	Amount of provision in 2022/23 (£m)	Basis of provision for 2023/24	Amount of provision in 2023/24 (£m)
Leisure Centre management fee income	0.82	25% of management fee	0.21	10% of management fee	0.08
Pay as you use parking income	2.02	5% of annual income	0.10	2.5% of annual income	0.05
Hitchin Town Hall	0.23	20% of annual income	0.05	10% of annual income	0.02
Trade Waste income	1.01	10% of annual income	0.10	5% of annual income	0.05
Homeless costs	0.08	100% increase	0.08	50% increase	0.04
Car park season tickets	0.32	20% of annual income	0.06	10% of annual income	0.03
Recyclable materials	0.29	100% increase	0.29	50% increase	0.15
AFM income	0.42	50% of annual income	0.21	25% of annual income	0.10
			<b>1.10</b>		<b>0.52</b>

The number of our residents that continue to be eligible for the Council Tax Reduction Scheme is likely to be linked to the general economic recovery. There could be a further increase in eligibility when the furlough scheme comes to an end. There will also be an increase if there are further periods of restrictions. The Council Tax Base is also affected by the building of new properties. On the assumption that the Local Plan is adopted during 2021/22, that should start to have an impact on the number of properties being built. For budget planning purposes, the previous assumption (of zero tax base growth over 5 years) will be revised upwards to 0.5% growth per year from 2023/24.

**Pay costs**

The pay claim for 2021/22 is still outstanding. The final offer from the employers is being considered by the Unions and is due to be voted on by Union members. The amounts offered are 2.75% for grade 1, 1.5% for Grades 13 upwards (Service Directors and Managing Director) and 1.75% for all other grades. The average increase of this offer across our staff is around 1.7%. If this pay claim is agreed then it will just be for one year. We increased our assumptions around future pay increases (from 2% to 2.75%) last year to reflect the Government push to increase the National Living Wage. There are two reasons to change this assumption back down, (1) the Government policy direction seems likely to change in light of general economic conditions and the pay increases that Government are offering, and (2) increases in the grades affected by Living Wage changes can be achieved without offering the same increase to all grades. We are therefore assuming a 2% inflationary pay increase for each year from 2022/23. We will also continue to make a separate estimate relating to our staff eligible for incremental increases in their pay.

As the allowances above reflect national pay bargaining, they have no impact on our pay compared with other Councils. This means that where we have posts that are difficult to recruit to, this position is unlikely to improve in terms of salary. However we will continue to promote the other advantages of working for us. We could carry out a more fundamental review of our pay scales, but is likely to be a very significant cost and the actual impact on being able to recruit would still be uncertain.

Our employees are eligible to join the Local Government Pension Scheme (LGPS), which is a defined benefit scheme. We make annual contributions to the scheme based on a percentage of payroll costs and a lump sum. The lump sum is to cover past service costs. Our budget assumes that the percentage rates will remain unchanged and the lump sum will increase with inflation. This may need to change after the next actuarial review, which will be undertaken in 2022/23 and the outcome will determine annual contributions for the following three financial years (2023/24 – 2025/26).

**Waste costs**

Prior to Covid-19, HCC had already informed us of planned reductions in the pot of money that would be available to be distributed as part of the AFM. The impact of this reduction has been built in to the budget. There is a risk that HCC will seek to make further reductions to this payment.

Government have consulted on a series of proposals in relation to waste collection. These include:

- Introduce consistent waste collection across all areas of the Country (e.g. same materials in the same types of bins) and being stopped from charging for garden waste collections.
- Introduction of a Deposit Return Scheme, which would have an impact on what we collect at the kerbside. It is likely to mean that the higher value recycling materials would be taken to deposit return locations, leaving us to collect the remainder. This would affect the net costs of disposal for recycling materials.
- Extended Producer Responsibility- places the financial burden for waste on those that are producing it at source.

It is not yet known which of the above will be adopted. Where they are adopted we should expect to receive New Burdens Funding, but we don't know how this will be calculated and allocated.

A number of the factors described above and in the Covid-19 impact section (e.g. waste volumes, types and frequencies of collections) are likely to affect the cost of the waste contract when it is due for renewal in May 2025.

As there are so many uncertainties above (both in terms of costs and funding) we have not assumed any specific financial impact at this stage. But we will have to review this as more information becomes available and have to consider that the impact could be significant.

As there may be a change to what we can charge for garden waste, we will retain the annual charges at their current levels. We will also continue to offer a discount for our residents who are on lower incomes.

## Car parking income

To support our Town Centres during the pandemic we chose not to increase parking charges in 2020/21. We also delayed the increase in 2021/22 to October. This will be a double increase to cover both years.

In line with declaring a climate emergency we will continue to increase car parking charges by 2%, to encourage alternative forms of transport.

We will gradually move the month when car parking charges are increased to bring it back to the start of the Summer. In 2022/23 the increase will be applied from September, August in 2023/24, July in 2024/25 and June from 2025/26 onwards.

## Delivering our priorities

As well as setting out our vision and priorities for 2022-27, our Council Plan details some of the projects that will contribute towards delivering those priorities.

The table below shows the status of each of these in terms of resources:

Project	Resources
Charnwood House refurbishment	Level of any capital contribution unknown, to be added to budget if required
Royston Town Hall Annex	Expected that could generate a capital receipt or income, not included in budget forecasts yet
Town Centre Strategies	Funding sources identified, including using specific reserves
Interactive Playground equipment	Within existing capital budget forecasts
New Green Space Management Strategy	Expected to deliver cost savings, to contribute towards 2022/23 savings target
Leisure Centre refurbishments	Within existing capital budget forecasts
Solar Thermal Technology at Royston Leisure Centre	Within existing capital budget forecasts
Sustainable recycling and waste service	See comments in section above. Uncertain financial impact at the moment so not factored in to the budget
New website	In progress and resources identified
Online customer portal	In progress and resources identified
Enabling cash payments at convenient locations	In progress and resources identified
Community engagement	Ongoing work to be delivered from existing resources

## Future funding from Government

Our funding is controlled by Government in the following ways:

- If we want to increase our Council Tax by more than a certain amount, then we must hold a referendum. Government set this the limit each year and in recent years it has been the greater of 1.99% or £5 on a band D property (with the other bands increased in proportion).
- They set how much of the Business Rates that we collect that we can retain.
- They determine how funding from New Homes Bonus works. This is a reward to Council's for encouraging the building of new homes.
- They can allocate other general funding and grants.

There was supposed to be a significant change to the way that we and other Local Authorities were funded. This would have included a new funding formula and a change to how much of the Business Rates that we collect we could retain. It is now expected that the earliest that this change will be introduced will be 2023/24.

We had been told that in 2019/20 our funding from Business Rates would be cut by over £1m. This had become known as negative RSG (Revenue Support Grant). This cut in funding has not yet taken place. When a new funding formula is introduced, we are working on the assumption that it will be broadly in line with the formula that determined we should have a negative RSG imposed upon us.

We currently provide our Parish, Town and Community Councils with a total of £39k of funding, in addition to what they raise through their precepts. This was initially linked to the localisation of Council Tax support (CTRS). Our policy has been that this support should reduce in line with the funding that we receive from Government. The amount that each Council receives is very small and could be covered by a small increase in their precept.

There has been a consultation on New Homes Bonus, which made several proposals on how it might be changed in future years. There has not yet been any indication of what might be adopted.

For 2022/23, the forecast is made on the following assumptions:

- Negative RSG will **not** be applied.
- We will receive New Homes Bonus funding of £131k. This is based on previous estimates of what we would receive as the old scheme is withdrawn.

For 2023/24 onwards, these assumptions are used:

- Negative RSG (or the equivalent of) will be applied.
- A replacement New Homes Bonus Scheme will be introduced. On the assumption that the Local Plan will be adopted and that we will see more significant housing growth, then estimate that this will generate rewards of at least £150k per year from 2024/25.
- There is the potential that we will also be able to gain from the Business Rates that we collect being above whatever baseline level is set. However, at this stage, this is not included in the forecasts.
- When Negative RSG is applied, we will cease to provide funding to Parish, Town and Community Councils relating to Council Tax support.

## Council Tax

As detailed previously we will assume that our Council Tax base will grow by a net 0.5% per year from 2023/24. The actual growth is expected to be higher, but some of the additional income will be needed to provide services to the new properties (e.g. waste collection).

We are assuming that Government will continue to allow Council Tax increases by up to the higher 2% or £5 for a band D property (with the other bands increased in proportion), without the need for a local referendum. In calculating the funding that is available, Government assume that Councils will increase their Council Tax by the maximum available. To do as much as we can to maintain our service provision we will

increase our Council Tax by the maximum possible, without the need for a referendum. For a band D property this increase will be around £5 per year, or 10p per week.

### Our reserves

We are required to make sure that we have a certain level of reserves when we set our budget. This is to provide protection against known and unknown risks. This includes us being able to react to changes in demand and any emergencies that may arise. Our allowance of known risks is based on estimating the monetary impact of an event happening and applying a percentage to this based on the likelihood of it happening (high, medium or low). Our allowance for unknown risks is based on 5% of net expenditure and 3% of budgeted income (excluding Housing Benefit). For 2021/22 this gave a minimum balance of £3.35m. In 2021/22 we further increased this by £0.5m to reflect the ongoing risks in relation to Covid-19. As detailed previously we have changed the ways that we will reflect these Covid-19 risks in 2022/23 and 2023/24.

We are forecasting that our General Fund reserves at the start of 2022/23 will be £8.57m. We expect that we will need to use some of these reserves in recovering from Covid-19 and in adjusting to new funding levels. In planning our future budgets we need to make sure that we stay above the minimum General Fund level.

### Our future forecasts and savings required

Based on all the assumptions detailed in the previous sections (and the additional assumptions detailed in Annex A), we are forecasting the following budget position over the next 5 years.:

£ millions	2022/23	2023/24	2024/25	2025/26	2026/27
General Fund balance at the start of the year	7.56	7.10	5.36	4.53	4.21
Less: How much we plan to spend during the year on existing services	(15.96)	(16.18)	(16.39)	(16.29)	(16.26)
Less: provision for additional Covid-19 costs	(1.10)	(0.52)	0	0	0
Add: Our expected funding during the year	15.21	14.46	14.86	15.22	15.59
Add: other reserves that we plan to use to fund our expenditure	1.19	0	0	0	0
Add: additional net savings that we need to deliver *	0.20	0.40	0.40	0.40	0.40
Equals: General Fund balance at the end of the year	7.10	5.36	4.53	4.21	4.19

\* These are the additional savings that need to be delivered in each year. Over the 5 year period the cumulative annual savings that will be required are £1.8 million.

### Addressing our funding gap

The table above shows savings that we need to deliver to achieve a balanced budget by 2026/27. That means that by that year our funding will equal our expenditure. Savings could mean any of the following:

- Being able to deliver our existing services at a lower cost. The use of technology and automation may enable to do this in some areas. But generally the savings that we have delivered across a number of years have been through efficiencies, meaning that there are few opportunities left.



- Being able to generate additional income from services that we are able to charge for, less any costs in providing that additional level of service.
- Being able to generate income from commercial activities. The opportunities to do this are limited by economic conditions. We also need to make sure that these activities are in line with our priorities.
- Reducing the level of services that we provide, or ceasing the provision of services that we are not required to provide. Whilst we would always want to avoid this, we have to consider the overall sustainability of our Council.

They are also shown as net savings. This means that there is some scope for adding in new costs to meet our priorities, but this needs to be off-set by increases in the savings that we deliver.

As we are forecasting that we will need to address a significant budget shortfall, we have set up a budget challenge process. This process is aiming to:

- Review all the Council's budgets to understand what they deliver and how they align to the Council priorities
- Review opportunities for making savings on those budgets, when those savings could be achieved and the implications of making those savings
- When there is greater clarity over our future funding, come up with a list of savings to consult with our residents and other stakeholders on. Before then we will continue to deliver savings where there is a time constraint on when they can be delivered (e.g. contract renewal) or we don't think there will be a significant impact on the services that we offer.
- Use the feedback to set an action plan for what savings will be taken forward and monitoring the delivery of those savings.
- To receive regular updates on future budget and funding forecasts, and take more urgent action if it is clear that there is a risk to our financial sustainability.

### **Capital budgets**

We are currently able to fund our capital expenditure (spend on assets that have a useful life of more than one year) from our capital reserves. This means that the revenue cost of our capital investments is minimal. Over the next 5 years we may run out of capital reserves and will need to borrow to fund our capital spend. That will add to our revenue costs as we will have to fund borrowing charges and Minimum Revenue Provision. Therefore all discretionary capital spend will be assessed on the assumption that funding costs will be incurred.

We are also aware that there is significant inflation on construction and material costs at the moment. As this might continue for some time, the potential for cost increases will be assessed when considering options for new capital spend.

**ANNEX 1      Other Budget Assumptions**

- Investment income is based on cashflow projections and a 0.1% return. This is significantly affected by the timing of expenditure in the capital programme.
- Contract inflation in accordance with the individual contract terms.
- No allowance is made for general inflation on remaining expenditure. Although after allowing for salary and contractual inflation, the remaining amount is insignificant.
- Discretionary fees and charges income will be increased by CPI (Consumer Price Index) at September, plus 2%. This will be where it is legally possible and subject to a market impact assessment. This excludes parking (which is assumed to increase at 2%) and garden waste (no increase).
- An assumed 99% collection rate for the purposes of calculating the Council tax base.
- An assumed 97% collection rate for Business Rates
- Any future changes to the local Council Tax Reduction Scheme will aim to have a cost neutral impact.
- A vacancy factor set at approximately 2.5% of salary budget to yield in the region of £300k is included in the base budget in each year.
- The Council will not subsidise areas which are the responsibility of another precepting body other than through a one-off match-funding arrangement where this is in the interests of the local Council tax payers.
- The potential impacts of Brexit are not reflected. The impacts of Covid-19 are only reflected to the extent mentioned.
- All assumptions are subject to further refinement during the budget process as more certain information becomes available.

<b>Cabinet</b> <b>21 September 2021</b>
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<b>*PART 1 – PUBLIC DOCUMENT</b>
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**TITLE OF REPORT: Council Plan and Priorities 2022-2027**

REPORT OF: Policy and Communities Manager

EXECUTIVE MEMBER: LEADER OF THE COUNCIL

COUNCIL PRIORITY: BE A WELCOMING, INCLUSIVE, AND EFFICIENT COUNCIL / BUILD THRIVING AND RESILIENT COMMUNITIES / RESPOND TO CHALLENGES TO THE ENVIRONMENT / ENABLE AN ENTERPRISING AND CO-OPERATIVE ECONOMY / SUPPORT THE DELIVERY OF GOOD QUALITY AND AFFORDABLE HOMES

<b>1. EXECUTIVE SUMMARY</b>
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1.1 This report proposes a new Council Plan and process for finalising the Plan.
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<b>2. Recommendations</b>
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2.1 That Cabinet reviews and recommends the approval of the Council Plan to Full Council (Appendix A) with the three new Council Priorities as outlined below:
--

- |  |
|--|
| <ul style="list-style-type: none"><li>• People First</li><li>• Sustainability</li><li>• A Brighter Future Together</li></ul> |
|--|

**3. REASONS FOR RECOMMENDATIONS**

3.1 The Council Plan is a key element of the corporate business planning process, as a high-level strategic document it sets out the Council's Priorities for the next year. As an overarching policy framework document, it guides and influences the use of Council resources; providing a focus for activities, plans and services the Council provide. There is a need to provide closer links between the Council Plan and Medium-Term Financial Strategy

**4. ALTERNATIVE OPTIONS CONSIDERED**

4.1 That the Priorities remain as they are, but this does not reflect the substantially changed environment that councils operate in – i.e. the ongoing impact of the pandemic and the uncertainty of central government support to local authorities.

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

5.1 No external consultation has been undertaken in the preparation of this report. The administration have considered and proposed some draft Priorities and this has been considered by a small working group. The working group comprised of the following:

Leader, Deputy Leader, Executive Member for Finance and IT, Executive Member for Community Engagement, Managing Director, Section 151 officer, Communications Manager, Policy Team to provide more detail. The Political Liaison Board also considered the new Priorities and revised outline Plan. Service Directors have also had the opportunity to contribute to the formation of the Plan.

## **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 Council Plan is considered alongside the budget position (Medium-Term Financial Strategy) of the authority.

## **8. RELEVANT CONSIDERATIONS**

- 8.1. At the time of considering this Council Plan, the Council is still working hard to respond to the COVID-19 pandemic, with much of our resource dedicated to maintaining Council services and supporting the most vulnerable in our communities. As restrictions imposed in response to the pandemic have relaxed, there is the need to work to support the recovery of impacted services, the operation of the Council, and the community recovery. This work will take precedence over the activities and projects for the coming civic year, but where we are able to progress items we will endeavour to do so. As the length of the pandemic and the recovery are unknown the timescales for these activities and projects will inevitably be subject to change.
- 8.2. The Council Plan highlights key issues and aims for the district. The Plan sets out the context in which the Council operates, our ambitions, and the close links to the Medium-Term Financial Strategy. The format of the Plan has been reviewed to provide an easy summary of key information. The Council Plan will inform the subsequent agreement of the service plans as prepared by each directorate within the Council, setting out each service, team and individual's objectives. Having considered the relevant factors, the Council Priorities for 2022-2027 are to be the following:
- People First
  - Sustainability
  - A Brighter Future Together
- 8.3 All projects to be included in the Council Plan should be subject to the provision of sound business cases with specific targets established as they are introduced. The Council's performance against these will be monitored and reported on a regular basis.

## **9. LEGAL IMPLICATIONS**

- 9.1 Cabinet's terms of reference include at 5.6.38 the power, by recommendation "to advise the Council in the formulation of those policies within the Council's terms of reference".
- 9.2 Full Council's terms of reference provide "approving or adopting the policy framework which at 4.2.1 (f) include "Priorities/ Objectives for the District." The Council Plan 2022-2027 at Appendix A represents the priorities.

- 9.3 The Council Plan Priorities outlined for 2022-2027 onward will provide high level reference points that will assist the Council making clear and effective decisions.

## **10. FINANCIAL IMPLICATIONS**

- 10.1 The Council Plan recognises the importance of aligning with the Medium Term Financial Strategy. This ensures that Council adopts policy-led budgeting, and also does not commit to policies or projects that it cannot afford to deliver. The Council Plan generally provides high level policy commitments, which can be delivered in several different ways and therefore the resources required cannot be fully determined. It also includes examples of specific projects, and these are generally already included in budget estimates. For the larger projects (particularly capital projects) there is a risk that the costs may increase as more information becomes available. This would affect the value for money of the project and may lead to a different decision on whether or how it should be progressed.

## **11. RISK IMPLICATIONS**

- 11.1 Adoption of the Council Plan and within it the Council's Priorities for 2022 – 2027 commences the Council's Business Planning processes for the next financial year. A robust Corporate Business Planning process that links the Council Plan with the Medium-Term Financing Plan is key to managing the Council's identified Corporate Risk of "Managing the Council's Finances".
- 11.2 The risks and opportunities associated with the individual projects proposed will be assessed to ensure informed decisions are made on the overall programme of activity that the Council can deliver and to be in the best position to manage potential threats to success and maximise opportunities.

## **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 In setting its Council Plan Priorities, the Council is seeking to address equality implications in the services it provides. Through the remainder of the Corporate Business Planning Process it will carry out Equalities Impact Assessments for those Efficiency or Investment options that are taken forward where required.

## **13. SOCIAL VALUE IMPLICATIONS**

- 13.1. The Social Value Act and "go local" requirements do not apply to this report, as this is not a procurement exercise or contract.

## **14. ENVIRONMENTAL IMPLICATIONS**

- 14.1. Environmental impacts assessments will be carried out against the relevant proposed actions as they reach fruition in the civic year.

## **15. HUMAN RESOURCE IMPLICATIONS**

- 15.1 There are no additional human resource requirements arising from this report other than those which have emerged as a result of the pandemic around the operation and recovery of services, as raised at paragraph 8.1. The resources needed to deliver services are considered and addressed through the Corporate Business Planning process. Once these Priorities are agreed for retention, then these will be cascaded to staff via staff briefings with several reminders via Insight, the SCF and the intranet.

## **16. APPENDICES**

- 16.1 Appendix A Council Plan.

## **17. CONTACT OFFICERS**

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## **18. BACKGROUND PAPERS**

- 18.1 None.

# **Council Plan**

## **Purpose of the Plan**

This plan sets out our key strategic priorities for the next five years, and how we will deliver our aims and objectives. Each of our individual service areas has detailed service and action plans, which inform, and are informed by our overarching priorities.

## **Our Co-operative Values**

We are a Co-operative Council. This means that we value and build mutual support, accountability, fairness, and responsibility into all that we do.

## **Our Vision**

We put people first and deliver sustainable services, to enable a brighter future together

## **Our Priorities for North Herts**

We are setting our priorities for the next five years against the backdrop of the continued impact of the pandemic on our people, towns and economy, ongoing challenges of Brexit and continued uncertainty about how central government will support local councils. Our finance strategies support the delivery of our priorities, so we've also reviewed these to ensure they are robust, agile, and making best use of your taxpayers' money as we move forward.

### **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 as a whole 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.

## **Themes**

### **Our Environment**

North Herts is home to vital chalk streams and grasslands, ancient hedgerows and woodlands, and parts of the west of our district fall into the Chilterns Area of Outstanding Natural Beauty. We all have a duty to protect and care for these environments.

The issues caused by climate change will have a profound effect on our environment, wildlife, and our lives. In recognition of this, North Herts Council declared a climate emergency in May 2019, which commits us to take urgent action to address the causes of climate change across the district.

Since then we've developed and begun implementing our Climate Change Strategy<sup>1</sup>, with the aim of reducing carbon emissions to meet our net zero targets.

### **Our Local Economy**

Our towns and villages are the lifeblood of North Herts and we are committed to supporting them to grow and thrive. We will work with partners on town centre regeneration and on local projects which will bring jobs and investment to North Herts, as well as helping our towns and local businesses to recover from the impacts of the pandemic.

We also plan to better understand the issues facing our rural economies and industrial employment areas and seek to help address these issues.

We want to see money reinvested into the local economy for the benefit of local communities and will look to support local suppliers when we procure products and services.

### **Our Places**

We have ambitious plans to grow North Herts into a modern and thriving district, where the spaces and infrastructure we create meet the current and future needs of our people.

We want the places we create to be well-designed, reflecting the local landscape and character of the area, and to have the necessary infrastructure to make them sustainable. We want to ensure greater connectivity across and beyond the district through sustainable transport projects and by ensuring that walking and cycling are attractive options for the people of North Herts.

We remain committed to providing affordable housing and social housing and will continue supporting communities with Neighbourhood Plans.

We are also developing a Green Infrastructure Plan and Strategy which will identify where new green spaces should be provided across the district. This will sit alongside other policies to support carbon capture, biodiversity, flood and surface water management, as well as health and wellbeing of residents.

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<sup>1</sup> [Climate Change page](#)



## **Our Services**

We are an open and welcoming council, accessible to all our residents 24/7. We've started a transformation programme which will help residents access Council services more easily, when they want to, in the most convenient way to them.

We know some residents want to engage with us beyond dealing with queries about their bins or paying bills. We value what they have to say about our policies and plans, so we have set up a number of panels on the topics of Environment, Community, and Place to gather ideas and feedback. The panels meet several times throughout the year and all residents are welcome to attend and share their views.

The pandemic made us change how we do things. We began streaming our meetings on YouTube, meaning people were able to watch them live without having to physically attend a meeting, or watch them back at a convenient time. Even though face to face meetings are starting again, we plan to continue live streaming to make our meetings as accessible as possible, as well as holding virtual meetings where allowed.

We could not deliver our services without our staff, so we have launched our Shaping Our Future programme which supports staff to develop their skills and helps us consider how we retain and recruit staff to deliver our vital services.

## **Projects to deliver change**

### ***Community Spaces***

- Working with the community to refurbish Charnwood House in Hitchin to provide a new community space
  - **Priority:** People First ● **Theme:** Our Places
  - **Timeframe:** Exploration complete by March 2022; Delivery Ongoing
- Replacement of Royston Town Hall Annexe with a food retail store, including a community space
  - **Priority:** People First ● **Theme:** Our Places
  - **Timeframe:** Delivered by March 2023

### ***Town Centre***

- Progression of town centre strategies to inform the recovery of our town centres
  - **Priority:** People First; Sustainability; A Brighter Future Together ● **Theme:** Our Places; Our Local Economy
  - **Timeframe:** Ongoing

### ***Green Spaces***

- Installation of interactive playground equipment in all four of our towns
  - **Priority:** People First ● **Theme:** Our Places
  - **Timeframe:** Delivered by March 2022

- **Implementation of the new Green Space Management Strategy**
  - **Priority:** People First; Sustainability ● **Theme:** Our Places; Our Environment; Our Services
  - **Timeframe:** Delivered by March 2022

### *Sports and Leisure*

- **Refurbishments at North Herts Leisure Centre, Hitchin Swim Centre, and Royston Leisure Centre, including toilets and changing rooms**
  - **Priority:** People First ● **Theme:** Our Services
  - **Timeframe:** Ongoing
- **Installation of solar thermal technology at Royston Leisure Centre to provide more sustainable energy**
  - **Priority:** Sustainability ● **Theme:** Our Environment; Our Services
  - **Timeframe:** Delivered by March 2022

### *Waste and Recycling*

- **Delivering a recycling and waste service which is sustainable and will provide best value for money and quality service provision to our district**
  - **Priority:** Sustainability; People First ● **Theme:** Our Environment; Our Services
  - **Timeframe:** Delivered by March 2023

### *Accessibility*

- **Further development of our online customer portal to allow residents to easily access key information about their council services, all in one place.**
  - **Priority:** People First ● **Theme:** Our Services
  - **Timeframe:** Ongoing
- **Help residents to make payments to us at locations convenient to them**
  - **Priority:** People First ● **Theme:** Our Services
  - **Timeframe:** Ongoing
- **Engage with the community on how they can get involved to help us deliver our vision**
  - **Priority:** People First ● **Theme:** Our Services
  - **Timeframe:** Ongoing

## **Involving You**

As part of our People First commitment, we really want to know what residents think of our plan, our priorities, and how well we are doing on delivering them for you. We regularly carry out research into the perceptions residents hold of the Council and our services so that we can identify how well we are doing and areas for improvement. We are also reviewing our consultation approach so that we can ensure we involve people in consultations at the right time, involve a wide range of people, and take their views into consideration when making decisions.

Keep an eye out for how you can get involved and help us deliver on our ambitions.

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## COUNCIL

23 September 2021

**TITLE OF REPORT: COUNCILLORS PARENTAL LEAVE POLICY**

**REPORT OF: SERVICE DIRECTOR: LEGAL AND COMMUNITY**

**EXECUTIVE MEMBER: COMMUNITY ENGAGEMENT**

**COUNCIL PRIORITY: WELCOMING, INCLUSIVE AND EFFICIENT COUNCIL**

### 1. EXECUTIVE SUMMARY

This report provides a draft Councillor Parental Leave Policy for approval. This would introduce a right to such leave, that would potentially stretch to beyond 6 months, with continued allowances.

### 2. RECOMMENDATIONS

2.1. That Council approves the Policy at Appendix A

### 3. REASONS FOR RECOMMENDATIONS

3.1 There is presently no legal right to Parental (maternity, paternity or adoption) leave for Councillors. Councils may approach this issue individually and this is one step that can be taken by this Council to demonstrate it is welcoming to all and be as inclusive / family friendly for Councillors as possible.

### 4. ALTERNATIVE OPTIONS CONSIDERED

4.1 Do nothing – and wait until the potential issue arises or the legislation is updated; however, this is not seen as the preferable option.

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

5.1 The request for such a Policy was made by the Deputy Leader to the Service Director: Legal and Community. The draft Policy was considered internally by the Political Liaison Board and the steer was to take this forward to Council. Consultation also took place on the final draft with the Executive and Deputy Members for Community Engagement.

### 6. FORWARD PLAN

6.1 This is a Full Council matter and not a Key Executive Decision, and therefore not on the Forward Plan of Key Executive Decisions.

### 7. BACKGROUND

7.1. Although this has been an ongoing issue, recent analysis by the Fawcett Society indicated that female Councillor representation in local government was at a relative standstill, with only a third of candidates for 2021 being female<sup>1</sup>, demonstrating a continuation of similar figures from previous analysis in 2019<sup>2</sup> and 2017. So whilst this Policy is aimed at the issue of Parental leave, this is a step that can be taken to enable people of varying ages / backgrounds to become Councillors and to aid in the retention of experienced Councillors who might otherwise feel induced to give up their position upon becoming a parent.

7.2. Previous analysis<sup>3</sup> found that just 8% of Councils have a 'maternity' policy in place for their senior Cabinet-level Councillors. Only 7% of Councils have a 'maternity' policy in place that covered other Councillor roles. There have been informal comments this year that legislation may be introduced to provide such rights for parental leave to local

<sup>1</sup> <https://www.fawcettsociety.org.uk/news/new-data-shows-only-a-third-of-local-election-candidates-are-women>

<sup>2</sup> [2019 fawcett data reveals that womens representation in local government is stagnant](https://www.fawcettsociety.org.uk/news/2019-fawcett-data-reveals-that-womens-representation-in-local-government-is-stagnant)

<sup>3</sup> *ibid*

Councillors; however, this may not materialise for some time and it is therefore prudent to progress consideration of such a Policy.

- 7.3. The Policy appended at A, is based on the Local Government Association (LGA) promoted Policy for Councils. This has been varied to provide that Parental Leave is an agreed reason for absence beyond 6 months as per 9.1 of the Legal Implications below, *providing* a Councillor complies with the necessary notification and Group Leader agreement requirements. Additional provisions have been added therefore to the LGA promoted model (under sections 1.10-1.13, and 5). Allowances are also covered in the Policy, making it clear that these would continue during periods of leave (see Legal implications 9.2 below, and the Policy – sections 2-3).
- 7.4. The objective of this Policy is therefore to ensure, insofar as possible, that Councillors can take appropriate leave at the time of birth or adoption (including surrogacy), that both parents are able to take leave, and that reasonable and adequate arrangements are in place to provide cover for Executive and other roles in receipt of Allowances during any period of leave taken.

## **8. RELEVANT CONSIDERATIONS**

- 8.1. As indicated, there is no legal right to Parental leave if you are an elected Councillor. The LGA promote the Policy upon which Appendix A is based, a number of authorities have adopted this, or a similar model and it is stated that legal advice has been obtained in relation to it.

## **9. LEGAL IMPLICATIONS**

- 9.1. Section 85 Local Government Act 1972 provides that a Councillor will have vacated their elected office (automatically by operation of law) if they fail to attend any meetings of the authority for a consecutive period of 6 months. This is unless the reason for the non-attendance has been pre-approved by Full Council. *In approving this Policy, Full Council is providing pre-approval for a possible extension up to a maximum 52 weeks in the case of maternity (or adoption) leave, (or slightly longer in exceptional cases of prematurity) without the need to report this back to Full Council under the arrangements described in the Policy.*
- 9.2. In respect of payments of allowances, the Local Authorities (Members' Allowances) (England) Regs 2003/1021 sets out categories of allowances that can be paid and circumstances under which they would cease. *In approving this Policy, however, the Council is acknowledges and confirms that during periods of Parental Leave, that no Basic or Special Responsibility Allowance (SRA) (or other allowances payable under legislation such as for being the Chair or Vice Chair of Full Council) would end, in the latter case as the Councillor is not deemed for this purpose to have officially vacated that role, until or unless they are removed, are not reappointed, resign, or retire at the end of the election term or are not re-elected.*

## **10. FINANCIAL IMPLICATIONS**

- 10.1 It is unclear what those implications would be at this stage, but anticipated as relatively minimal. If the Policy results in a significant shift in the demographic of Councillors, and it becomes clear that a regular budget allocation will be required, then this will be factored it to budget estimates. No additional budget provision (other than the general Member Allowances budget) is therefore currently identified at this stage – unless Full Council instructs the Chief Finance Officer to include for the 2022-2023 budget process.

**11. RISK IMPLICATIONS**

- 11.1. There is a risk in relation to the cost of this Policy. This is balanced against the advantages that this Policy brings in relation to encouraging new Councillors and retaining existing Councillors.

**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 This can only be seen as a positive step to take towards eliminating discriminatory conditions in local government, and improving the accessibility of being a Councillor for people of varying backgrounds, ages and genders.

**13. SOCIAL VALUE IMPLICATIONS**

- 13.1 The Social Value Act and “go local” policy do not apply to this report as this is not a procurement exercise or contract.

**14. ENVIRONMENTAL IMPLICATIONS**

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

**15. HUMAN RESOURCE IMPLICATIONS**

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

**16. APPENDICES**

- 16.1 Appendix A – Parental Leave Policy.

**17. CONTACT OFFICERS**

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- 17.4. Georgina Chapman, Policy Officer: Email: [Georgina.Chapman@north-herts.gov.uk](mailto:Georgina.Chapman@north-herts.gov.uk)
- 17.5. Jo Keshishian, Interim Human Resources Services Manager; Email: [Jo.Keshishian@north-herts.gov.uk](mailto:Jo.Keshishian@north-herts.gov.uk)

**18. BACKGROUND PAPERS**

- 18.1 None other than those indicated in the report.

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## Councillor Parental Leave Policy

### Introduction & Legal requirements

There is currently no legal right for Councillors to take Parental Leave and any arrangement adopted by this Council is a voluntary one.

Section 85 of the Local Government Act 1972 places a requirement on Councillors to attend a meeting of the Council within a 6 consecutive month period, unless Full Council agrees to an extended leave of absence prior to the expiration of that 6-month period. This Policy has been adopted by Full Council in the knowledge that any leave taken under this Policy, that goes beyond 6-months, is an approved reason under section 85 of the Act without further Full Council approval. This is on the understanding that for a Councillor to take advantage of this Policy they must comply with the notification/ agreement requirements set out. Failure to do so could mean that a Councillor automatically vacates their elected office.

### Purpose, Scope, and Background

The Policy aims to ensure that, insofar as possible, Councillors can take appropriate leave at the time of birth or adoption; that both parents are able to take leave; and that reasonable and adequate arrangements are in place to provide cover for: Executive portfolios, other posts in receipt of Special Responsibility/ other Allowances and ward responsibilities during any period of leave taken.

### Policy:

#### 1. Leave Periods

- 1.1. Councillors giving birth are entitled to up to 6-months maternity leave from the due date, with the option to extend by up to a further 26 weeks, by agreement if required. Expectant mothers may also wish to start maternity leave earlier due to health reasons, and such a notification can be dealt with as per 5.1 below.
- 1.2. In addition, where the birth is premature, the Councillor is entitled to take leave during the period between the date of the birth and the due date in addition to the 6-months' period. In such cases any leave taken to cover prematurity of 28 days or less shall be deducted from any extension beyond the initial 6-months.
- 1.3. In exceptional circumstances, and only in cases of prematurity of 29 days or more, additional leave may be taken by agreement, and such exceptional leave shall not be deducted from the total 52-week entitlement.
- 1.4. Councillors shall be entitled to take a minimum of 2 weeks paternity leave if they are the biological father or nominated carer of their partner/spouse following the birth or adoption of their child(ren).
- 1.5. A Councillor who has made shared parental leave arrangements through their employment, is requested to advise the Council of these at the earliest possible opportunity. Every effort will be made to replicate such arrangements in terms of leave from Council.
- 1.6. Where both parents are Councillors, leave may be shared up to a maximum of 24 weeks for the first six months and 26 weeks for any leave agreed thereafter, up to a maximum of 50 weeks. Special and exceptional arrangements may be made in cases of prematurity.

- 1.7. A Councillor who adopts a child through an approved adoption agency shall be entitled to take up to 6-months adoption leave from the date of placement, with the option to extend up to 52 weeks by agreement if required. For the purposes of this Policy, surrogacy will fall under the definition of adoption and the Policy shall be applicable if a Councillor has applied for or be intending to apply for a Parental Order in relation to the child, in which case they shall be entitled to take up to 6-months leave with the option to extend up to 52 weeks by agreement if required.
- 1.8. Any Councillor intending to take maternity, paternity, shared parental or adoption leave will be responsible for ensuring that they comply with the relevant notice requirements of the Council, both in terms of the pre notification requirements for when the leave is to start, to extend their leave beyond 6-months and the point at which they intend to return.
- 1.9. Any Councillor taking leave should ensure that they respond to reasonable requests for information as promptly as possible, and that they keep officers and colleagues informed and updated in relation to intended dates of return and requests for extension of leave.
- 1.10. The relevant political groups/ the Council will in so far as able, facilitate any arrangements made by relevant Councillors which allow for the case work of a Councillor on Parental Leave to be completed by another Ward Councillor, or another Councillor if that is not feasible.
- 1.11. The Council will ensure that the Councillor on Parental Leave continues to have access to adequate IT provision to allow them to work from home and upon returning to their role.
- 1.12. Absences from Council meetings during any period of Parental Leave will be noted as such, rather than being attributed to general absence.
- 1.13. If a Councillor wishes to have a keeping in touch day or attend a meeting (KIT day) then they should notify their Group Leader (if applicable<sup>1</sup>) and Proper Officer as per section 5, although this will not affect any calculation of the leave periods or be taken into account for an extended leave period.

## **2. Basic Allowance**

- 2.1. All Councillors shall continue to receive their Basic Allowance in full whilst on Parental Leave.

## **3. Special Responsibility Allowances (SRAs)/ other payments**

- 3.1. Councillors entitled to a Special Responsibility Allowance (SRA) shall continue to receive their allowance in full in the case of maternity, paternity, shared parental leave and adoption leave (subject to below). A Councillor in receipt of other payments not typically described as an SRA, such as being the Chair or Vice Chair of Council are also covered under this provision.
- 3.2. Where a Councillor is appointed to cover the period of absence, that person shall receive an SRA on a pro rata basis for the period of the temporary appointment (subject to 3.3 below).
- 3.3. The payment of SRAs, whether to the primary SRA holder or a replacement, during a period of maternity, paternity, shared parental or adoption leave shall continue for a period of 6-months, or until the date of the Leader's decision on Executive

<sup>1</sup> In the event that this is a Group Leader requesting/ taking leave, then this responsibility falls to the Deputy Leader of the Group

appointments as confirmed at the Annual Meeting, or for such position appointed at Annual Council, or until the date when the Councillor taking leave is up for election (whichever is the sooner). At such a point, the position will be reviewed, and will be subject to a possible extension for a further 6-month period.

- 3.4. Should a Councillor appointed to replace the Councillor on maternity, paternity, shared parental or adoption leave already hold an SRA position, the ordinary rules under the Members Allowances Scheme shall apply<sup>2</sup>.
- 3.5. Unless the Councillor taking leave is removed from an Executive post by the Leader, or at an Annual Council meeting, or the Party to which they belong loses control of the Council during their leave period (and they lose that SRA post), they shall return at the end of their leave period to the same post.

#### **4. Resigning from Office and Elections**

- 4.1. If a Councillor decides not to return at the end of their maternity, paternity, shared parental or adoption leave, they must notify the Council at the earliest possible opportunity. All allowances will cease from the effective resignation date.
- 4.2. If an election is held during the Councillor's maternity, paternity, shared parental or adoption leave and they are not re-elected, or decide not to stand for re-election, their allowances will cease from the 4<sup>th</sup> day after the ordinary day of election when they would legally vacate office (subject to any specific legal provisions relating to a Chair of Council, Vice Chair of Council or Leader of Council).

#### **5. Notification requirements**

- 5.1. The Councillor must notify the Proper Officer<sup>3</sup> by email (**to: [committee.services@north-herts.gov.uk](mailto:committee.services@north-herts.gov.uk)**) no later than the end of the 15<sup>th</sup> week before the expected week of childbirth (maternity/ paternity), intended shared parental or adoption leave or as soon as is reasonably practicable and provide:
  - (i) the week the baby/ child (in the case of adoption leave - date of placement) is due;
  - (ii) the period of leave the Councillor intends to take (or in the case of paternity leave if they wish to take one or two weeks leave); and
  - (iii) when they want their leave to start.

This will be acknowledged within 2 weeks. An except to this would be health reasons for the mother or prematurity of the child, in which case notification is to be as soon as possible to the above email.

- 5.2. If a Councillor wishes to return from leave earlier than originally planned, or have a KIT day, they should notify the Proper Officer by email (as above), who will provide confirmation that the information has been received and from what date they will resume the responsibilities of any remunerated post, or KIT arrangements as appropriate.
- 5.3. If a Councillor taking leave wishes to extend this beyond 6-months (and set out in this Policy), then no later than 4 weeks before the end of the 6-month period, the Councillor should notify the Proper Officer in writing. The Proper Officer shall then liaise with the relevant Councillor's Group Leader to agree this, or if the Councillor is independent/ not in a group, then the Leader of Council to agree this and confirm that this is acceptable.

<sup>2</sup> LGA policy refers to one SRA rule – this is however, currently not adopted by NHDC, and shall only apply if so adopted under the Members Allowance Scheme.

<sup>3</sup> In this context this would normally be the Democratic Services Manager, although may be the Committee, Member & Scrutiny Manager – with overall delegation also with the Services Director, Legal & Community.

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**COUNCIL**  
**23 SEPTEMBER 2021**

**PUBLIC DOCUMENT**

**TITLE OF REPORT: ELECTORAL CYCLE CONSULTATION**

REPORT OF: DEMOCRATIC SERVICES MANAGER

EXECUTIVE MEMBER: LEADER OF COUNCIL/COMMUNITY ENGAGEMENT

COUNCIL PRIORITY: BE A MORE WELCOMING, INCLUSIVE AND EFFICIENT COUNCIL /  
BUILD THRIVING AND RESILIENT COMMUNITIES

**1. EXECUTIVE SUMMARY**

- 1.1 A timetable for the Electoral Review of North Hertfordshire District Council by the Local Government Boundary Commission for England (LGBCE) has been agreed. The first stage of the review is for the Council to produce a submission to the LGBCE on Council Size.
- 1.2 Prior to the submission there needs to be a decision on whether to retain the current electoral cycle of elections by thirds or to move to whole council elections, as this will impact on the number of councillors the authority recommends within the submission to the LGBCE.

**2. RECOMMENDATIONS**

2.1. That Council:

- I. Approves public consultation of the following question for four weeks starting on 4 October 2021 until 1 November 2021.

*Do you think we should (select one only)*

- *elect all of our Councillors every four years?; or*
- *elect one third of our Councillors every year*

- II. Agrees that a Special Meeting of Council be convened following the consultation in order for Council to consider the results of the consultation and determine proposals for any change in its electoral cycle arrangements.

**3. REASONS FOR RECOMMENDATIONS**

- 3.1. The Local Government Boundary Commission for England (LGBCE) undertakes periodic reviews of local boundaries. This has not been undertaken for this District since 2006 and following a number of requests to undertake this review, a timetable for doing so has been agreed with the Council, attached at Appendix A. As part of this process the

LGBCE require information on Council size (number of Councillors) and this in turn will be affected by whether the Council elects its Members by thirds or as a whole. A consultation on electoral cycles is therefore recommended.

- 3.2. Otherwise in terms of the recommended questions – as Members will be aware, the Council currently elects by thirds. There is one further possibility (election by halves), this would affect the numbers per ward (see 8.6 & 9.1 below). For practical purposes, the consultation question concentrates on the existing arrangements or whole council elections. The reasons for this, is as highlighted in paragraph 8.8, there are very few Authorities that elect by halves, the majority of Authorities electing by whole council elections. In their 2004 report, the Electoral Commission advocated that all local authorities should move to all-out elections (rather than electing by thirds or halves), stating this *“would provide a clear, equitable and easy to understand electoral process that would best serve the interests of local government electors.”*

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

- 4.1 None that are considered appropriate, as community engagement on such an issue is recommended.

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

- 5.1. Preliminary meetings with various Officers and Members have been held with the LGBCE, concluding with the presentation to Members by the LGBCE on 14 July 2021.
- 5.2. A Consultant from the Association of Electoral Administrators has been instructed to be the day-to-day lead for organising and co-ordinating the response back to the LGBCE. The Consultant is able to provide specialist, experienced knowledge to assist in the delivery of the review at a time when the Democratic Services team is bedding in a number of new staff. The Leader and Deputy Leader of Council and Executive Members have been consulted on the use of the consultancy service via the Political Liaison Board.

#### **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 LGBCE is responsible for conducting reviews of local authority electoral arrangements. This is through an 'electoral review'. The LGBCE completed its last review of North Hertfordshire in May 2006.
- 7.2. The Commission has intervention criteria – one of the criterions being if 30% of all wards have an electoral imbalance of more than 10% of the average ratio of electors to Councillors for the Authority. Another being where one or more wards have an electoral imbalance of more than 30% of the average ratio for the Authority. In North Herts, 33% of wards now have a variance outside the 10% threshold and the electoral district is therefore overdue a review.
- 7.3. A timetable has been agreed with the LGBCE for the Review – when key pieces of work must be submitted. The first key piece of work is to develop a 'council size' proposal

which will need to include whether the Council will be changing its electoral cycle from elections by thirds to whole council elections, and also to decide the appropriate number of councillors for the authority. This must be submitted by 21 January 2022. Ward boundaries will not be considered until this phase of the process is complete.

## **8. RELEVANT CONSIDERATIONS**

- 8.1. There is no limit to the number of Councillors that can be elected to represent a ward or division. However, the Commission would not usually accept a proposal for more than three councillors to represent a ward.
- 8.2. The Council currently elects by thirds with a mixture of single, two and three member wards.
- 8.3. The Commission have informed the Authority that a mixture of single, two and three member wards would only be considered in their review if the Council held whole council elections, where all Councillors are elected at the same time every four years.
- 8.4. If the Council wished to retain elections by thirds the Commission would seek to deliver a uniform pattern of three member wards across the district, as per the legal requirements (see legal implications below). They would only move away from this if a pattern of three member wards would significantly undermine their other obligations under law – to deliver electoral equality, reflect community interests and identities and promote effective and convenient local government.
- 8.5. Members are invited to note the following possible scenarios as a result of the two options:
  - i. If the Council retains elections by thirds, all of the existing wards will be abolished through this review as would the current number of Councillors. The current 24 wards would not remain. This is to allow electoral equality as far as possible. It is likely that most, if not all, existing ward boundaries will be changed and all wards would be for 3-Members (as the number of Councillors overall must be a multiple of three). The total number of Councillors will be determined by the LGBCE, following submissions by this Council and other interested bodies. However, whilst the number of Councillors would need to be a multiple of three, there is no requirement for the number of wards to be fixed at the current 24 nor any expectation that the number of Councillors in total would increase substantially. Any submissions about Council Size, including the one prepared by this authority, will need to give clear justification for the proposals based on evidence and the need for effective and convenient local government. In this situation, the election in May 2024 would be to the new ward boundaries. Due to the various changes to the ward boundaries all seats would be up for election, (as the former wards would not exist for a candidate to be elected to) with the candidate in each ward securing the highest number of votes elected for 4 years; second highest for 3 years; and third highest for 2 years. In 2025 the scheduled County Council elections will take place, so there can be no district council elections. Elections to this Council will take place by thirds from May 2026. In 2026 those that secured the least number of votes in the 2024 election would be up for election again, this time for a 4-year term. This is illustrated in image 1 below.

### NHDC elections from 2024 if electing by thirds

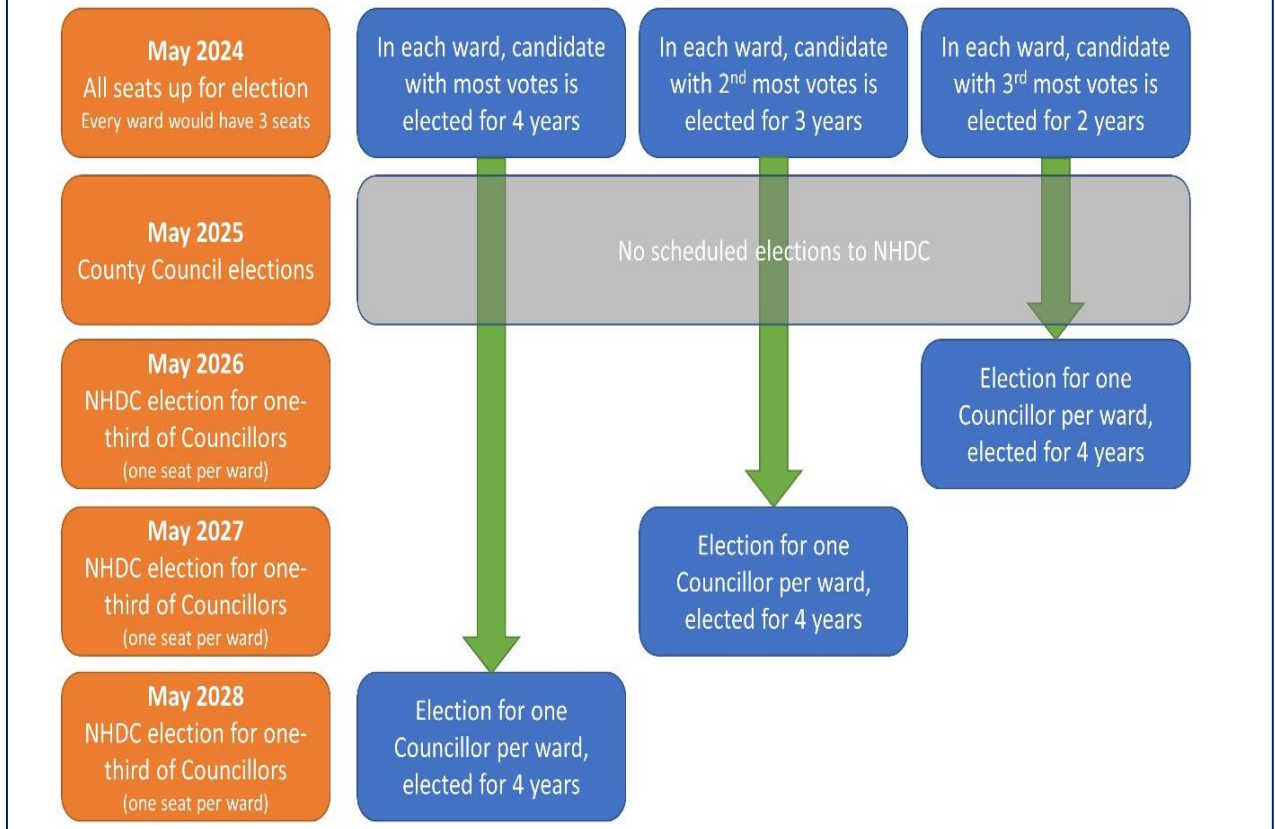


Image 1

- ii If the Council chooses to move to whole council elections, all the existing 24 wards will be abolished through this review. New ward boundaries will be developed, allowing for electoral equality as far as possible. New wards would be for a mixture of 1, 2 and 3 Member wards. Many ward boundaries may be changed. There would be no need for the number of Councillors to be a multiple of three. In this situation, the election in May 2024 would be to the new ward boundaries. All seats would be up for election, with the successful candidates elected for 4 years and scheduled elections to this Council every four years thereafter. This is illustrated in image 2 below.



#### NHDC elections from 2024 if electing all-out

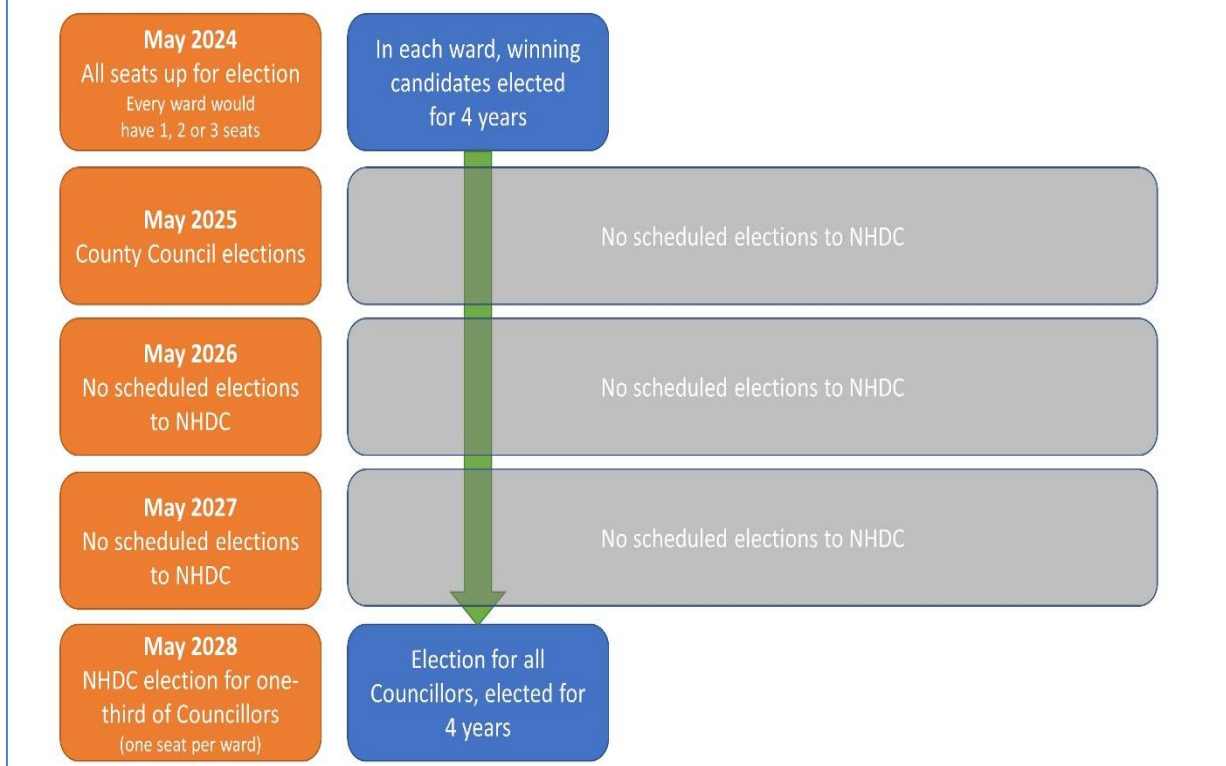


Image 2

- 8.6. There is a further electoral cycle permutation to whole council elections or elections by thirds, being to elect by halves, where elections are held every alternate year for half of the Councillors to be elected. If the council were to elect by halves, all existing wards will be abolished through this review as would the current number of Councillors, again to allow electoral equality as far as possible. Wards will be replaced by two Member wards. It is likely that most, if not all, existing ward boundaries will be changed. As all wards would be for two Members, the number of Councillors overall must be a multiple of two. In this situation, the election in May 2024 would be to the new ward boundaries. Due to the various changes to the ward boundaries all seats would be up for election, (as the former wards would not exist for a candidate to be elected to), with the candidate in each ward securing the highest number of votes elected for 4 years and the second highest candidate being elected for 2 years. In 2025 the scheduled County Council elections will take place so there would be no district council elections. In 2026 those that secured the least number of votes would be up for election, this time for a 4 year term.
- 8.7. Members are invited to note that, whichever electoral cycle is chosen, all current wards will cease to exist from the May 2024 elections and they will be replaced with a new configuration of wards that meet the needs of local people, reflects local interests and identities and is conducive to effective and convenient local government. It is possible that some of the 'new' wards will be identical to the existing wards; however, it is prudent to assume none of the existing wards will continue unchanged and certainly no wards will have a protected status. One way to think of it is as a 'blank sheet' exercise. That is, none of the existing ward boundaries should be considered immovable. The number and configuration of wards will depend on the number of Councillors determined by the

LGBCE following their current consultation. Warding arrangements for a future part of the LGBCE review, and wards are built upon community identities and interests. At this stage, Members are invited to approve the public consultation regarding future electoral cycles (by thirds or whole council elections). The number of Councillors that this authority proposes will be discussed at a future meeting for approval and submission to the LGBCE. The warding arrangements will then follow later next year. Essentially, there are three stages to note at this stage:

- i. Stage 1 – Does the Authority wish to elect by thirds, or whole council elections?
  - ii. Stage 2 - How many Councillors does the Authority need to fulfil its business? (This will be based on stage 1)
  - iii. Stage 3 - Warding arrangements, based on the final approved Council Size by the LGBCE (next year). These will be built using existing parish areas where possible. If electing by thirds, the number of wards is council size divided by 3; if electing by whole council elections, the number of wards is determined by the best configuration of 1, 2 and 3 Member wards. Whatever happens at stage 1, all current wards will cease to exist from May 2024.
- 8.8. Otherwise, to provide some context as to the more usual electoral cycles this link provides details of the Election Timetable for Authorities throughout England (based on 2019 figures).

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/920186/Election\\_Timetable\\_in\\_England\\_2019.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/920186/Election_Timetable_in_England_2019.pdf)

Of district councils:  
131 have whole council elections;  
54 elect by thirds; and  
7 elect biennially

- 8.9. A council cannot pass a resolution for whole council elections unless it has taken reasonable steps to consult “such persons as it thinks appropriate on the proposed change”. Therefore, Members are requested to approve public consultation as per the recommendation, in order for a later decision to take place as to whether to opt for all out elections or retain elections by thirds.

## **9. LEGAL IMPLICATIONS**

- 9.1. Paragraph 2, Schedule 2 of the Local Democracy, Economic Development and Construction Act 2009 states that where a Council holds elections in three years out of every four (where a third of councillors are elected at each election) that this should be divisible by three as per 2(3d),(5 b)(c)(ii), albeit that the Commission Guidance indicates that they would not normally accept more than three per ward, and should seek to deliver a pattern of three member wards across the district. In the case of elections by halves 2(3d) and (5b)(c)(i) states that the number of Councillors should be divisible by two.
- 9.2. The Local Government and Public Involvement in Health Act 2007 (LGPIHA 2007) provides that a district council that elects by halves or by thirds may resolve to move to a scheme of whole-council elections.
- 9.3. A council must comply with section 33 of the LGPIHA 2007 when passing a resolution for whole-council elections and must not pass the resolution unless it has taken

reasonable steps to consult “such persons as it thinks appropriate on the proposed change”. Or in the case of elections by halves, the council must comply with section 38 of the Act.

- 9.4. Having consulted, a resolution to move to whole council elections (or elections by halves) is required:
- (a) at a meeting which is specially convened for that purpose; and
  - (b) by a majority of at least two thirds of the members voting on it.
- 9.5 The resolution must specify the year for the first ordinary elections of the council at which all councillors are to be elected and in the case of this Authority could not be the same year as the County Council elections (as specified in the Localism Act 2011). The decision is subject to publicity and notification requirements.
- 9.6 If a Council passes a resolution to change its electoral cycle it may not pass another opposing resolution before the end of five years beginning with the day on which the resolution was passed.
- 9.7 Legislation places several obligations on the Commission in conducting the review and it also places a requirement on the Authority to, if requested by the LGBCE, provide any information as they may reasonably require.

## **10. FINANCIAL IMPLICATIONS**

- 10.1 The Council has implemented a budget challenge process to identify potential savings that could help meet a projected funding gap. As part of this process, the move to four-yearly elections is estimated to generate savings equivalent of around £40k per year. The precise saving would depend upon whether the district elections were combined with any another election, and whether the formulation of the Fees and Charges Order for any elections paid for by central Government were included, as that varies from election to election.
- 10.2 There could be further savings if the overall number of members were reduced. For example, if there were to be a reduction of Members by approximately 10%, to 44, it would generate a saving of at least £25k, based on the current scheme of basic allowance of £5,100 per annum per Member. There could also be savings in other costs, such as the provision of IT equipment and licenses.

## **11. RISK IMPLICATIONS**

- 11.1. The LGBCE has been clear in the preliminary stages with the Authority in that a retention of the status quo will not be accepted by the Commission given that 33% of wards now have a variance outside the 10% threshold and the Council elects by thirds with a mixture of single, two and three member wards.
- 11.2. The Council is required to consult if it is to make a decision whether or not to move to a scheme of whole council elections.

## **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. To retain elections by thirds would not provide electoral equality as all wards are not represented by three Members and the voter does not have an equal opportunity to influence the makeup of the council at each election. The Commission would seek to deliver a pattern of three member wards across the district and would only move away from this if a pattern of three member wards would significantly undermine their other obligation under law – to deliver electoral equality, reflect community interests and identities and promote effective and convenient local government.

## **13. SOCIAL VALUE IMPLICATIONS**

- 13.1. The Social Value Act and “go local” requirements do not apply to this report as this is not a procurement exercise or contract.

## **14. ENVIRONMENTAL IMPLICATIONS**

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

## **15. HUMAN RESOURCE IMPLICATIONS**

- 15.1 The appointment of the Consultant to undertake the Boundary Review has assisted to alleviate some of the pressure within the Democratic Services Team whilst it is significantly under resourced.

## **16. APPENDICES**

- 16.1 Appendix A – Electoral Review Timetable as agreed with the LGBCE (included within the briefing documents provided to Members on 14 July 2021).
- 16.2 Appendix B – Consultation Document – ‘How should Councillors for North Hertfordshire District Council be elected?’

## **17. CONTACT OFFICERS**

- 17.1 Melanie Stimpson, Democratic Services Manager/Returning Officer  
[melanie.stimpson@north-herts.gov.uk](mailto:melanie.stimpson@north-herts.gov.uk)  
01462 474208
- 17.2 Jeanette Thompson, Service Director Legal and Community/Deputy Returning Officer  
[Jeanette.thompson@north-herts.gov.uk](mailto:Jeanette.thompson@north-herts.gov.uk)  
01462 474370

## **18. BACKGROUND PAPERS**

- 18.1 Presentation by the LGBCE to Members on 14 July and the accompanying LGBCE 'Electoral Review of North Hertfordshire – A Guide for Councillors' circulated to all Members on 14 July.

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## Electoral Review Timetable

### Preliminary Period

<b>Briefings</b>	<b>Attendees</b>		<b>Key Dates</b>
	<b>Council</b>	<b>LGBCE</b>	
<b>Initial Meeting</b>	<b>Council Leader Chief Executive</b>	Chair Chief Executive	<b>4 February 2021</b>
<b>Officer Briefing</b>	<b>Council Officers involved in review</b>	Review Manager Review Officer	<b>11 March 2021</b>
<b>Group Leader Briefing</b>	<b>Council Group Leaders</b>	Lead Commissioner Review Manager Review Officer	<b>3 March 2021</b>
<b>Full Council Briefing</b>	<b>All Councillors</b>	Lead Commissioner Review Manager Review Officer	<b>7 July 2021</b>
Parish/Town Council & Local Groups Briefing	Not required	Review Manager Review Officer	<b>TBC</b>

### Council Size

<b>Activity</b>	<b>Involvement</b>		<b>Key Dates</b>
	<b>Council</b>	<b>LGBCE</b>	
<b>Develop council size proposal</b>	<b>Council Political Groups</b>	Officers will be available to answer any technical queries on making a submission.	<b>July 2021 – 21 January 2022</b>
<b>Submission of council size proposals</b>	<b>Council Political Groups</b>	Officers will acknowledge receipt of submissions.	<b>21 January 2022</b>
Commission Meeting: Council Size	Not required	Commission	15 February 2022

## Warding Patterns

<b>Activity</b>	<b>Involvement</b>		<b>Key Dates</b>
	<b>Council</b>	<b>LGBCE</b>	
<b>Consultation on warding patterns</b>	<b>Council Political Groups General Public</b>	Run consultation, collate & analyse responses.	<b>1 June 2022 – 9 August 2022</b>
Commission Meeting: Draft Recommendations	Not required	Commission	18 October 2022
<b>Consultation on Draft Recommendations</b>	<b>Council Political Groups General Public</b>	Publish draft recommendations. Run consultation, collate & analyse responses.	<b>1 November 2022 – 9 January 2023</b>
Commission Meeting: Final Recommendations	Not required	Commission	14 March 2023
Publication of Final Recommendations	Not required	Commission	28 March 2023

## Order

<b>Activity</b>	<b>Involvement</b>		<b>Key Dates</b>
	<b>Council</b>	<b>LGBCE</b>	
Order laid	Not required	Commission	Autumn 2023
Order made	Not required	Commission	Autumn 2023
<b>Implementation</b>	<b>Council</b>	Not required	<b>May 2024</b>



# Consultation: How should Councillors for North Hertfordshire District Council be elected?

## Introduction

The way you elect councillors to North Hertfordshire District Council is being reviewed. We want to hear from you before a decision is made. Please read this information and complete the survey via the following link [insert Survey Monkey link], alternatively please complete the form below to tell us your views and return to:

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

Or email to:[insert email address]

Ensuring that responses are returned by: **1 November 2021**

## Background

Like all district councils, North Hertfordshire District Council is divided into electoral wards. These are geographical areas within the council area. The local people who live in a ward are the people who can vote to decide who will represent them on the council. The ward you live in does not affect the amount of council tax you pay or the local services you are provided with by the council.

The warding arrangements for this area are currently being reviewed by the independent Local Government Boundary Commission for England (LGBCE). As part of the review the council have been invited to consider how councillors are elected in future.

At the moment, councillors are elected 'by thirds'. This means that one-third of all the councillors are elected each year for three years, with no elections to this council in the fourth year (on the fourth year we hold County Council elections). Each councillor is usually elected for four years. If we continue to elect councillors in this way, there will be some changes. These are outlined below.

There is another way that councillors can be elected. This is known as 'whole council' or 'all out' elections. This means that every councillor is elected at the same time in one year, usually elected for four years, and no scheduled elections would be in any of the other three years. If we change to this system, there will be some changes. These are outlined below.

## What might happen

If we continue to elect councillors by thirds

All the current wards will be changed. They will be replaced by new wards, which the LGBCE will develop over the coming year (there will be consultations on the proposals, hosted by the LGBCE). Every new ward will have three councillors. It is likely that most, if not all, existing ward boundaries will be changed. The elections in 2022 and 2023 will continue as normal. In May 2024 the elections would be to the new ward boundaries. All seats would be up for election, with the candidate in each ward securing the highest number of votes elected for 4 years; second highest for 3 years; and third highest for 2 years. In 2025 the scheduled County Council elections will take place, and elections to this council will take place by thirds from May 2026.

#### If we change and elect councillors once every four years

If the council chooses to move to whole council elections, all existing wards will be changed. They will be replaced by new wards, which the LGBCE will develop over the coming year (there will be consultations on the proposals, hosted by the LGBCE). New wards would be for a mixture of 1, 2 and 3 Member wards. Many ward boundaries may be changed. The elections in 2022 and 2023 will continue as normal. In May 2024 the elections would be to the new ward boundaries. All seats would be up for election, with the winning candidates elected for 4 years and scheduled elections to this council every four years. Moving to whole council elections every 4 years reduces the number of scheduled elections and could save around £40,000 per year. The precise saving would depend upon whether the district elections were combined with any another election as sometimes costs are shared by central Government.

#### **Consultation**

We want to hear from you, to find out which option you prefer and why. This will help the council make a final decision later this year.

1. Having read the information above, do you think we should: *Select one only*
  - ☐ elect one third of our Councillors every year ('by thirds')
  - ☐ elect all of our Councillors every four years ('whole council'/'all out')
  
2. We would like to understand why people have chosen a particular option, so please tell us why you feel that way?
  
3. We want to hear from local people within the district, so please tell us the following information:
  - Your name
  - Your postcode
  - Your house name or number

	<b>If the council is elected by thirds</b>	<b>If the council is elected once every four years</b>
May 2022	Election for one-third of councillors, on current ward boundaries. Councillors remain in post until May 2024 elections.	Election for one-third of councillors, on current ward boundaries. Councillors remain in post until May 2024 elections.

May 2023	Election for one-third of councillors, on current ward boundaries. Councillors remain in post until May 2024 elections.	Election for one-third of councillors, on current ward boundaries. Councillors remain in post until May 2024 elections.
May 2024	New wards take effect, each will have three councillors. Election for all councillors. The candidate in each ward with the highest vote is elected for four years, second highest for 3 years, third highest for 2 years.	New wards take effect, each will have one, two or three councillors. Election for all councillors. All councillors are elected for 4 years.
May 2025	Election to County Council	Election to County Council
May 2026	Election for one-third of councillors, on new ward boundaries. Councillors remain in post for four years.	No election
May 2027	Election for one-third of councillors, on new ward boundaries. Councillors remain in post for four years.	No election
May 2028	Election for one-third of councillors, on new ward boundaries. Councillors remain in post for four years.	Election for all councillors. All councillors are elected for 4 years.

The consultation responses received will be published on the Council's website as part of a report to Council. Your name and address will not be published. This information is collected to identify the areas that consultation responses have been received.

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