

NORTH HERTFORDSHIRE DISTRICT COUNCIL



2 September 2022

Our Ref Cabinet/13 September 2022
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To: Members of the Cabinet:

Councillor Elizabeth Dennis-Harburg, Councillor Ruth Brown, Councillor Ian Albert, Councillor Judi Billing MBE, Councillor Keith Hoskins MBE, Councillor Amy Allen, Councillor Steve Jarvis, Councillor Sean Prendergast,

Deputy Executive Members:

Councillor Ian Mantle, Councillor Sam North, Councillor Chris Lucas, Councillor Tom Plater, Councillor Tom Tyson, Councillor James Denselow, Councillor Alistair Willoughby

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

to be held in the

**COUNCIL CHAMBER, DISTRICT COUNCIL OFFICES, GERNON
ROAD, LETCHWORTH, SG6 3JF**

on

TUESDAY, 13TH SEPTEMBER, 2022 AT 7.30 PM

Yours sincerely,

Jeanette Thompson
Service Director – Legal and Community

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

Agenda **Part I**

Item		Page
1.	APOLOGIES FOR ABSENCE	
2.	MINUTES - 21 JUNE 2022 To take as read and approve as a true record the minutes of the meeting of the Committee held on the 21 June 2022.	(Pages 7 - 14)
3.	NOTIFICATION OF OTHER BUSINESS Members should notify the Chair of other business which they wish to be discussed at the end of either Part I or Part II business set out in the agenda. They must state the circumstances which they consider justify the business being considered as a matter of urgency. The Chair will decide whether any item(s) raised will be considered.	
4.	CHAIR'S ANNOUNCEMENTS <u>Climate Emergency</u> The Council has declared a climate emergency and is committed to achieving a target of zero carbon emissions by 2030 and helping local people and businesses to reduce their own carbon emissions. A Cabinet Panel on the Environment has been established to engage with local people on matters relating to the climate emergency and advise the council on how to achieve these climate change objectives. A Climate Change Implementation group of councillors and council officers meets regularly to produce plans and monitor progress. Actions taken or currently underway include switching to green energy, incentives for low emission taxis, expanding tree planting and working to cut food waste. In addition the council is a member of the Hertfordshire Climate Change and Sustainability Partnership, working with other councils across Hertfordshire to reduce the county's carbon emissions and climate impact. The Council's dedicated webpage on Climate Change includes details of the council's climate change strategy, the work of the Cabinet Panel on the Environment and a monthly briefing on progress.	

Declarations of Interest

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

5. PUBLIC PARTICIPATION

To receive petitions, comments and questions from the public.

6. ITEMS REFERRED FROM OTHER COMMITTEES

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

7. 2022 - 27 COMMUNITY CONSULTATION STRATEGY REPORT OF THE SERVICE DIRECTOR – PLACE

(Pages
15 - 28)

To outline the Council's proposed approach to community consultation and engagement for the five-year period 2022-2027

8. DISTRICT WIDE SURVEY 2022 REPORT OF THE SERVICE DIRECTOR – PLACE

(Pages
29 - 46)

To advise Cabinet of the key findings and action points arising from the 2022 District Wide Survey.

9. FIRST QUARTER INVESTMENT STRATEGY (CAPITAL AND TREASURY) REVIEW 2022/23 REPORT OF THE SERVICE DIRECTOR – RESOURCES

(Pages
47 - 78)

To update Cabinet on progress with delivering the capital and treasury strategy for 2022/23, as at the end of June 2022.

10. FIRST QUARTER REVENUE BUDGET MONITORING 2022/23 REPORT OF THE SERVICE DIRECTOR – RESOURCES

(Pages
79 - 92)

To inform Cabinet of the summary position on revenue income and expenditure forecasts for the financial year 2022/23, as at the end of the first quarter.

11. COUNCIL DELIVERY PLAN Q1 UPDATE REPORT OF THE SERVICE DIRECTOR – RESOURCES

(Pages
93 - 116)

12. MEDIUM TERM FINANCIAL STRATEGY REPORT OF THE SERVICE DIRECTOR – RESOURCES

(Pages
117 -
134)

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| 13. | PROPOSED INCREASE IN PARKING TARIFFS
REPORT OF THE SERVICE DIRECTOR – REGULATORY | (Pages
135 -
150) |
| | To update Members on proposed 2022/2023 Inflationary Car Parking Tariff Increases. | |
| 14. | INFORMATION NOTE ON ASYLUM DISPERSAL AND REFUGEE RESETTLEMENT SCHEMES
INFORMATION NOTE OF THE STRATEGIC HOUSING MANAGER | (Pages
151 -
154) |
| | To inform Cabinet of the regional allocations for the dispersal of asylum seekers recently issued by the Home Office and to provide an update on refugee resettlement schemes. | |
| 15. | DRAFT DEVELOPER CONTRIBUTIONS SPD
REPORT OF THE SERVICE DIRECTOR – REGULATORY | (Pages
155 -
246) |
| | To provide additional detail on planning policies and sites, the Council can produce Supplementary Planning Documents (SPD) to provide clarity to applicants and case officers when determining planning applications. | |
| 16. | PROPOSED CONSERVATION AREA AT CHESFIELD
REPORT OF THE SERVICE DIRECTOR – REGUALTORY | (Pages
247 -
312) |
| | To consider a proposed new conservation area around Chesfield Park and a draft Conservation Area Appraisal and Management Plan (CAAMP) for public consultation. | |
| 17. | ARTICLE 4 DIRECTIONS
REPORT OF THE SERVICE DIRECTOR – REGULATORY | (Pages
313 -
328) |
| | A report seeking Cabinet's approval to make immediate Article 4 Directions for the District's primary and secondary shopping frontages. | |
| 18. | COUNCIL TAX REDUCTION SCHEME 2023/23
REPORT OF THE SERVICE DIRECTOR – CUSTOMERS | (Pages
329 -
340) |
| | To provide an update on the progress that has been made so far on the full review of the Council Tax Reduction Scheme. The review is one of the Councils key projects for 2022/23 included in the Council Delivery Plan | |
| 19. | 3CS POLICY UPDATE
REPORT OF THE CUSTOMER SERVICE MANAGER | (Pages
341 -
360) |
| | This report proposes amendments to the Comments, Compliments and Complaints (3C's) policy, based on experiences, learning and discussions since the last policy review in 2019. | |
| 20. | EXCLUSION OF PRESS AND PUBLIC
To consider passing the following resolution: | |
| | That under Section 100A of the Local Government Act 1972, the Press and Public be excluded from the meeting on the grounds that the following report will involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the said Act (as amended). | |

21.	SOFT PLAY INVESTMENT AT NORTH HERTS LEISURE CENTRE - PART 2	361 -
	REPORT OF THE SERVICE DIRECTOR – PLACE	364

22.	SOFT PLAY INVESTMENT AT NORTH HERTS LEISURE CENTRE - PART 1	(Pages
	REPORT OF THE SERVICE DIRECTOR – PLACE	365 -
		386)

To seek Cabinet approval for an investment proposal at North Herts Leisure Centre, Letchworth.

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Public Document Pack Agenda Item 2

NORTH HERTFORDSHIRE DISTRICT COUNCIL

CABINET

MEETING HELD IN THE COUNCIL CHAMBER, DISTRICT COUNCIL OFFICES, GERONON ROAD

ON TUESDAY, 21ST JUNE, 2022 AT 7.30 PM

MINUTES

Present: *Councillors: Councillor Elizabeth Dennis-Harburg (Chair), Ruth Brown (Vice-Chair) Ruth Brown, Ian Albert, Keith Hoskins, Amy Allen, Steve Jarvis, Sean Prendergast, Chris Lucas and Alistair Willoughby*

In Attendance:

Anthony Roche (Managing Director), Ian Fullstone (Service Director – Regulatory) Steve Crowley (Service Director – Commercial), Johanne Dufficy (Service Director – Customers), Martin Lawrence (Strategic Housing Manager), Helen Flage (Principal Strategic Planning and Implementation Officer), Antonio Ciampa (Accountancy Manager), Isabelle Allajooz (Legal Commercial Team Manager), Nurainatta Katevu (Legal Regulatory Team Manager), James Lovegrove (Committee Member and Scrutiny Officer) and Louis Mutter (Committee, Member and Scrutiny Officer)

Also Present:

At the commencement of the meeting approximately 4 members of the public, including registered speakers.

88 APOLOGIES FOR ABSENCE

Audio recording – 2:10

Apologies for absence were received from Councillors Judi Billing and Tom Plater.

The Chair informed Cabinet that Councillor Chris Lucas was going to be filling in for Councillor Judi Billing as her Deputy Executive, but could not vote.

89 MINUTES - 22 March 2022

Audio Recording – 6:40

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

RESOLVED: That the Minutes of the Meeting of the Committee held on 22 March 2022 be approved as a true record of the proceedings and be signed by the Chair.

90 NOTIFICATION OF OTHER BUSINESS

Audio recording – 7:24

There was no other business notified.

91 CHAIR'S ANNOUNCEMENTS

Audio recording: 7:25 (N.B. The Chair spoke on the passing of Councillor Gary Grindal at 2:40)

- (1) The Chair made a statement regarding the passing of the former Executive Member for Housing and Environmental Health Councillor Gary Grindal and invited Members to speak. The Chair then held a minute's silence;
- (2) The Chair advised that, in accordance with Council Policy, the meeting would be audio recorded;
- (3) Members were reminded that this Council had declared a Climate Emergency. This was a serious decision and meant that, as this was an emergency, all of us, officers and Members had that in mind as we carried out our various roles and tasks for the benefit of our District;
- (4) The Chair drew attention to the item on the agenda front pages regarding Declarations of Interest and reminded Members that, in line with the Code of Conduct, any Declarations of Interest needed to be declared immediately prior to the item in question;
- (5) The Chair informed the Committee that items 15 and 16 would be taken prior to item 14.

92 PUBLIC PARTICIPATION

Audio recording – 8:10

The Chair invited Ms. Carolyn Cottier to address the Committee.

Ms. Cottier thanked the Chair for the opportunity to address the Committee and gave a verbal presentation related to item 8 Strategic Planning Matters, this included:

- This information is urgent and must be relayed no later than the 21st June 2022, since it affects tonight's agenda;
- Findings related to the missing representations from the Local Plan Examination in Public, wherein hundreds of Regulation 19 participants submissions were discovered to have been lost;
- An audit has been conducted on 2750 individual participant responses;
- The latest still missing status stands at 475 lost documents;
- The Inspectors Final Draft Report for the Local Plan Examination has been released. ED243 on the website;
- ED243 was dated the 6th of June 2022, but was only published after an unfair delay. The 10th of June was when it was first publicly disclosed;
- The Department of Levelling Up's Quality Assurance team would need to guarantee legal compliance; meaning all participatory submissions must be fully present at the time;
- The breakdown of the missing evidence by area is: 195 against East of Luton sites, 113 Breachwood Green KW1 sites, 20 against Codicote, 33 Knebworth, 20 Baldock, 8 Barkway and 56 missing from a range of other areas.

The Chair invited Ms. Cheryl Peers to address the Committee.

Ms. Peers thanked the Chair for the opportunity to address the Committee and gave a verbal presentation related to item 8 Strategic Planning Matters, which included:

- 3 representations sent via email in response to the Further Main Modifications Consultation held in May to July 2021 remain actively obstructed;
- A senior planning officer has claimed they are solely responsible;

- Ms. Peers read out an email exchange between a member of public and the senior planning officer;
- The obstruction of these 3 representations was established due to an improvised and unauthorised decision.

The Chair then invited Mr. David Cook to address the Committee.

Mr. Cook thanked the Chair for the opportunity to address the Committee and gave a verbal presentation related to item 9 Conservation Area Reviews, which included:

- Wanted to speak on the Ashwell Conservation Area and not on specific recommendations;
- The reasons for recommendations provided in the agenda pack on item 9 are 'to appropriately assess conservation areas'
- The recommendations were fed by a Consultant's report which was provided by Ashwell Parish Council's submissions and suggestions;
- Sharing extracts from a Freedom of Information request which have been obtained to seek transparency on the process that went into the Parish Council's submission;
- The Parish Council's Chair and Vice-Chairman set up and sat on a working group to consider these matters, then as Chair and VC they endorsed their own actions and sent the findings to North Herts Council's consultant;
- Mr. Cook then read extracts from emails he had received from the Freedom of Information request;
- Some of the areas included in the Parish Council's submission did not have sound reasons for doing so.

93 ITEMS REFERRED FROM OTHER COMMITTEES

Audio recording – 30:00

The Chair informed the Committee that the referrals from other Committees would be taken with their respective items on the agenda.

94 INFORMATION NOTE: UPDATE ON THE DEMAND FOR ACCOMMODATION AND SUPPORT SERVICES FOR SINGLE HOMELESS PEOPLE

Audio Recording – 30:30

Councillor Sean Prendergast presented the report entitled Update on the Demand for Accommodation and Support Services for Single Homeless People including:

- Important that Members and the public are aware of the demand for accommodation and support services for single homeless people in the district;
- Large increase in demand since the start of the pandemic;
- Requirement on all local authorities to provide emergency accommodation for those approaching as homeless or are a priority need;
- The pandemic saw everyone in including those at risk of rough-sleeping; a large number of those were placed in hotels due to a lack of capacity in purpose built accommodation;
- Over the last two years there has been a cost to the Council of over £400,000 and there are still a high level of people in hotels, which is not sustainable;
- Over 60% have two or more support needs with poor mental health being the most common;
- Still a high hotel use and gaps in provision, which highlights the importance in continuing to support homelessness services.

The following Members took part in the debate:

- Councillor Ian Albert
- Councillor Elizabeth Dennis-Harburg

RESOLVED: That the Information Note entitled Update on the Demand for Accommodation and Support Services for Single Homeless People be noted.

95 STRATEGIC PLANNING MATTERS

Audio Recording – 36:21

Councillor Ruth Brown presented the report entitled Strategic Planning Matters and highlighted the following points:

- Paragraph 8.6 – The Strategic Sites Project Board has agreed some guidance on an approval process for master plans and a design review protocol and some sustainability principles;
- The Knebworth Neighbourhood Plan has been approved through the referendum that took place in May 2022. It now formally forms part of the plan in decision-making around planning applications;
- Paragraph 8.14 – There have been some amendments to the building regulations that the government has introduced; quite a substantial change. From June 2023 the Council will need to be implementing these;
- Paragraph 8.21 – The Luton Airport proposal to increase from 18 to 19 million passengers was called in by the Secretary of State; the Council has sent written representations along with other Districts and Boroughs that are affected by these proposals;
- Paragraph 8.24 – The Local Cycling and Walking Infrastructure Plan – was supposed to go to consultation over the summer. The Council has decided that this won't encourage the widest possible participation so it is being delayed until the 5th of September;
- Working with the County Council to identify more opportunities for people that don't have garages and off-street parking to charge their electric cars;
- Have identified one carpark in each of the major towns where new and updated electrical charging points will be implemented.

In response to a question from Councillor Steve Jarvis, the Service Director – Regulatory advised that the changes to Building Regulations that came in on the 15th June only relate to the fabric & heating and the use of the building; it doesn't cover the construction aspect that Councillor Jarvis referred to.

In response to questions from Councillor Ian Albert, Councillor Ruth Brown advised that:

- Have changed the consultation period to make sure that it can come to Area Committees;
- Central Growth and Transport Plan – Officers are finalising a report at the moment which will be presented to officers and Members at some stage; around the Dunstable to Baldock corridor;
- Master Planning is something Councillors should be informed on so could be included in a Member's Information Note going forward.

RESOLVED:

(1) That the report on strategic planning matters be noted;

(2) That the correspondence and information in Appendices A to E are noted and endorsed by the Cabinet.

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

96 CONSERVATION AREA REVIEWS

Audio Recording – 48:00

Councillor Ruth Brown presented the report entitled Conservation Area Reviews and highlighted the following points:

- It has been a long time since the conservation areas were first designated. In 2019 the Council appointed some consultants to have a look at those. It was decided that Ashwell and Pirton needed a full review so the Council employed a consultant to do that. There have been some areas added in Ashwell and some added and taken away in Pirton;
- These reports are seeking further consultation.

RESOLVED:

(1) That the draft CAAMPs for Ashwell and Pirton are noted;

(2) That approval is given for public consultation to take place on the draft Conservation Area Appraisals and Management Plans and the proposed amendments to the conservation area boundaries at Ashwell and Pirton.

REASON FOR DECISION: To ensure that the conservation areas and historic assets within North Hertfordshire are appropriately assessed and designated to inform decision making for planning applications and in the preparation of local and neighbourhood plans.

97 REVENUE BUDGET OUTTURN 2021/22

Audio Recording – 51:10

Councillor Ian Albert presented the report entitled Revenue Budget Outturn 2021/22 along with Appendix A – 2021/22 Significant Revenue Budget Variances and highlighted the following key points:

- No formal comments from the Finance, Audit and Risk Committee;
- The Outturn spend, which is subject to the final conclusion of the audit, was just under £16.9 million; about £600,000 down on the Quarter 3 report and £1.5million down on the original budget;
- The overall year position is fully detailed in Appendix A and movements this quarter in table 4;
- Table 4 also details the carry-forward of £172,000 of requests of specific activities that will now take place in 2022/23;
- This will reduce the medium-term impact on the General Fund down to around an £800,000 underspend;
- Paragraphs 8.16 to 8.18 detail the various impacts of COVID; gross impact of about £1.65 million;
- Table 7 shows an increase of the general fund balance of £1.7 million; most of this is through the release of other specific reserves;
- Service spending in 2021/22 is £1.8 million above the Council's core funding;
- Table 9 highlights the earmarked reserves which will need to be approved at Full Council.

Following a vote, it was:

RESOLVED:

- (1) That Cabinet note this report;
- (2) That Cabinet approves a decrease of £592k in the 2021/22 net General Fund expenditure, as identified in table 4 and paragraph 8.1, to a total of £16.892 million;
- (3) That Cabinet approves the changes to the 2022/23 General Fund budget, as identified in table 4 and paragraph 8.3 a total of £179k increase in net expenditure.

THAT CABINET RECOMMENDS TO COUNCIL:

- (4) That Council approves the net transfer from earmarked reserves, as identified in table 9 of £8.123 million.

REASONS FOR DECISIONS:

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

98 INVESTMENT STRATEGY (CAPITAL AND TREASURY) END OF YEAR REVIEW 2021/22

Audio Recording – 57:30

Councillor Ian Albert presented the report entitled Investment Strategy (Capital and Treasury) End of Year Review 2021/22 along with Appendix A – Capital Programme Detail including Funding 2021/22 onwards and Appendix B – Treasury Management Update and highlighted the following key points:

- The majority of the movement in quarter 4 of the Capital Programme is spend that is being moved into 2022/23 due to various delays;
- The overall reduction in the Capital Programme for 2021/22 has meant that the majority has been funded Capital Receipt Reserves;
- The sale of surplus land has increased those reserves during the year and now stand at £7.7 million;
- Paragraph 8.10 details the breach of the Treasury Strategy during the year;
- The Council continues to manage its surplus cash by prioritising security and liquidity before considering yield; the yield on investments did increase but is running significantly behind the level of inflation;
- Appendix B sets out more detail in relation to the Council's Treasury position during the year.

Following a vote it was:

RESOLVED:

- (1) That Cabinet notes expenditure of £1.434million in 2021/22 on the capital programme, paragraph 8.3 refers;
- (2) That Cabinet approves the adjustments to the capital programme for 2022/23 as a result of the revised timetable of schemes detailed in table 2, increasing the estimated spend in by £0.979million;
- (3) That Cabinet notes the position of the availability of capital resources, as detailed in table 3 paragraph 8.7 and the requirement to keep the capital programme under review for affordability;

(4) That Cabinet approves the application of £1.225million of capital receipts/set aside towards the 2021/22 capital programme, paragraph 8.7 refers;

(5) Cabinet is asked to note the position of Treasury Management activity as at the end of March 2022.

RECOMMENDED TO COUNCIL:

(6) That Council approves the actual 2021/22 prudential and treasury indicators;

(7) That Council notes the annual Treasury Report for 2021/22

REASONS FOR DECISIONS:

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

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

99 ANNUAL REPORT ON RISK MANAGEMENT AND QUARTERLY RISK MANAGEMENT UPDATE

Audio Recording: 1:00:00

Councillor Ian Albert presented the report entitled Risk Management and Quarterly Risk Management Update, along with Appendix A – Annual Report on Risk Management and highlighted the following key points:

- Last report in this format as the Council Delivery Plan format will be used from quarter 1;
- Annual report on risk management which covers business continuity, assurance and health & safety;
- Intended to provide assurance to Cabinet and Council that risk is being managed effectively;
- The report seeks the introduction to a new corporate risk, which is in the Council Delivery Plan format, but is an overarching risk; it highlights the potential that other projects can't be achieved due to staffing or other resources not being available.

In response to a question from Councillor Steve Jarvis, Councillor Ian Albert advised that his comments would be reflected in any reviews or reports on the new corporate risk moving forward.

Following a vote, it was:

RESOLVED:

(1) That Cabinet introduces a new Corporate Risk relating to Council Resourcing;

(2) That Cabinet notes the report

RECOMMENDED TO COUNCIL:

(3) That Council notes the report

REASONS FOR DECISIONS:

(1) The responsibility for ensuring the management of risks is that of Cabinet.

100 EXCLUSION OF PRESS AND PUBLIC

Audio recording – 1:04:10

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

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

101 CARELINE - IN-HOUSE PROVISION FOR NON-COMPLEX INSTALLATION AND MAINTENANCE

Details of decisions taken on this item are restricted due to the disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of Section 200A(4) of the Local Government Act 1972.

102 DEBT WRITE OFF

Details of decisions taken on this item are restricted due to the disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of Section 200A(4) of the Local Government Act 1972.

103 CARELINE - IN HOUSE SERVICE PROVISION FOR NON COMPLEX INSTALLATION AND MAINTENANCE

Audio Recording: 1:20:00

Councillor Chris Lucas presented the report entitled Careline – In House Service Provision for non-Complex Installation and Maintenance and highlighted the following key points:

- Looking to bring the full in-house service of providing non-complex installation and maintenance to Careline customers into the Council;
- The current company is giving up the contract on the 30th September so need to act on this now;
- The plan has been fully costed and a risk assessment has been made; the benefits outweigh the risks.

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

RESOLVED: That Cabinet approves a full inhouse service provision being established for non-complex installations and maintenance to commence from 01 October 2022

The meeting closed at 8:52 pm

Chair

CABINET 13 September 2022
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*PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: 2022 – 27 Community Consultation Strategy

REPORT OF: Service Director, Place

EXECUTIVE MEMBER: Leader of the Council, Elizabeth Dennis-Harburg

COUNCIL PRIORITY: PEOPLE FIRST

1. EXECUTIVE SUMMARY

1.1 To outline the Council's proposed approach to community consultation and engagement for the five-year period from 2022 – 2027.

1.2 To inform our residents on why, when and how we will consult them and encourage residents to sign up to ensure their views are heard in the future.

2. RECOMMENDATIONS

2.1. That Cabinet approves the Community Consultation Strategy for the period 2022-27.

3. REASONS FOR RECOMMENDATIONS

3.1. Consultation is critical to demonstrate that the Council is committed to engaging with its community, to help shape the direction of future policies, to inform necessary improvement or refinements to services and to ascertain if current approaches to service delivery are meeting the needs of residents.

3.2. Our most recent District Wide Survey (DWS) highlights a decline in resident views since 2019 on how we consult with them. We need to proactively show that we are a council that listens and wants to engage with our residents by successfully implementing our community-facing strategy.

3.3. Increased forms of digital consultation will enable us to reach a wider audience more frequently.

4. ALTERNATIVE OPTIONS CONSIDERED

4.1. None.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

5.1. The Executive Member for Community Engagement, Leader of the Council, Deputy Leader of the Council and the Council's Political Liaison Board have been consulted on this strategy.

6. FORWARD PLAN

- 6.1 This report contains a recommendation on a key Executive decision that was first notified to the public in the Forward Plan on the 25 April 2022.

7. BACKGROUND

- 7.1 The last consultation strategy was adopted in 2015, with the original 2020 strategy review date extended to 2022 due to the pandemic and officer focus on COVID communications and recovery. An interim review of the strategy was carried out in 2018 with some recommendations being implemented (such as changing how we interact with our Citizens Panel, from a postal survey every two years, to sending them regular email surveys). Pressures from the pandemic on all services meant that some of the actions were paused.
- 7.2 The external environment has changed in ways we could never have imagined since the last consultation strategy was adopted. The pandemic saw huge advancements in digital technology e.g. TEAMS and Zoom, as many more people worked from home and digital channels e.g. websites, social media and e-news became crucial ways to reach people when face to face communication was not possible. This point can be further emphasised in increased public participation in Council meetings when held virtually during the pandemic and 'whole street' zoom meetings held by Councillors to discuss local issues during the pandemic period were also really well received and attended.
- 7.3 The increased emphasis on digital communications, plus our new corporate objective of 'People first' have led officers to consider new ways of consulting and engaging with our community, as outlined in our Community Consultation Strategy.
- 7.4 The purpose of the Community Consultation Strategy is not to consider the role of statutory consultation (where the requirement to consult is specified) but instead to consider the role of service specific consultation and opinion research exercises and how we involve our community.

8. RELEVANT CONSIDERATIONS

8.1 Resident perceptions of consultation by North Herts Council

- 8.1.1 Our most recent District Wide Survey results show a decline in resident views on how we consult with people since 2019. This could in part be because council officer resource was primarily focused on the pandemic/recovery from 2020–22 rather than proactively consulting.

Question area	2017	2019	2022
NHC make an effort to find out what local people want	35%	42%	37%
NHC involves, consults and engages with the community	46%	48%	42%
NHC should listen/consult more	19%	23%	20%

- 8.1.2 To deliver our 'People first' priority, we need to hear from our community, who know the district best and wherever possible, initiate two-way conversations i.e. consult earlier, share updates, actively publicise how we have utilised feedback, so that residents better understand how they have played a part in the process.

8.2 Future digital focus

- 8.2.1 A range of consultation channels are recommended, with a particular recommendation to increase digital forms of consultation to reach more residents, more frequently. This digital approach aligns with the Cabinet Office Consultation Principles of 2018 which state: We will use more digital methods to consult with a wider group of people at an earlier stage in the policy-forming process. We will make it easier for the public to contribute their views.
- 8.2.2 We have already increased our use of digital consultation tools by adopting Zencity's Engage platform (for larger surveys and soon to be used for key council project hubs) and are currently investigating Zencity's 'Community Surveys' platform which will provide us with a digital District Wide Survey which has the potential to reach a greater percentage of our population, twice a year, for less cost than the traditional telephone District Wide Survey.
- 8.2.3 Consideration will be always be given to the right tool for the type of consultation, as digital may not be the right consultation tool in some circumstances and a number of different consultation tools may be needed for certain consultations.

8.3 The role of councillors

- 8.3.1 Although a focus on digital consultation is recommended, and has been embraced by many councillors, the role councillors play in face-to-face community consultation should not be underestimated.

8.4 Practical Considerations

- 8.4.1 **Sample size:** although not always mandatory to capture a 'representative sample' of the target population, it is ideal if you can and may mean two methods of consultation are needed to achieve this. Service areas will need to make it explicitly clear when reporting the results of consultation whether they are using a representative sample.
- 8.4.2 **Timings:** The time period allowed, will depend on the nature, complexity and impact of the proposal – but as a general rule they might vary from between 2 to 12 weeks in length. Consultation exercises should not generally be held during pre-election periods and should avoid school holidays wherever possible.
- 8.4.3 **Constitutional requirements:** The Council's Member/Officer Protocol on Working Arrangements states that wherever the Council undertakes any form of consultative exercise on a local issue, the Area Committee/Ward Members should be notified at the outset of the exercise.

9. LEGAL IMPLICATIONS

- 9.1 Cabinet has within its terms of reference (5.6.1) to prepare and agree to implement policies and strategies other than those reserved to Council.

- 9.2 There are certain legal duties to consult although as per 7.4 – these are not covered in this Strategy. In non-statutory consultations it is up to the Authority to decide whether there is a duty to consult anyone and if so what ‘fair consultation’ entails in the circumstances. The government has issued consultation principles in 2013 that cover amongst other things, timing, transparency and feedback which apply to public bodies, although this document has no legal force. In this context, failure to act reasonably could, as a general principle, leave the Council open to legal challenge.

10. FINANCIAL IMPLICATIONS

- 10.1 Strategic priorities funding has been allocated for the Engage Zencity platform for two years (2022 – 2024). This will give us sufficient time to assess its value, prior to potentially putting in a bid for permanent funding. Any funding bid would need to be considered in the context of overall Council resources and meeting Council priorities. The Council’s Medium Term Financial Strategy details that the Council will need to make budget savings and any investment will need to be off-set by an increase in the savings that need to be identified and delivered.
- 10.2 We are currently exploring Zencity’s ‘Community Surveys’ platform as an alternative to our traditional district wide surveys (DWS). This would enable twice-yearly surveys benchmarked against the LGA reputation tracker consultation questions. The costs for this would be met from within existing budgets.
- 10.3 Any service specific consultations requiring additional methodologies to the Zencity platform / Microsoft Forms or DWS e.g., focus groups etc will need to be funded by the relevant service area.

11. RISK IMPLICATIONS

- 11.1 There is reputational risk to the council were it to fail to carry out consultation on major service or policy changes and also risk that we did not meet our obligations under the ‘Duty to consult.’

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. It is important to note that there will be members of the North Herts community who do not have access to digital channels. These residents should still be given the opportunity to participate in consultations by other means, particularly face to face consultation with councillors or joining in focus groups where relevant, and reasonable adjustments will be made available for those that require them.
- 12.3. ‘Assessing the approach to consultation’ in Appendix B, sets out a model for consultation which services should adopt. Part of this process is giving consideration to how any consultation activity will reach affected groups including minority and disadvantaged groups.

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 the North Herts Council 2022 – 27 Community Consultation strategy

15. HUMAN RESOURCE IMPLICATIONS

- 15.1 There are minimal human resource implications as a result of the Community Consultation Strategy.
- 15.2 A Consultation guide will be created to guide managers/officers through the consultation process. Teams needing to consult will need to play a part in creating consultation surveys and reviewing the results, as the council currently do not have dedicated consultation resource, other than through the communications team.

16. APPENDICES

- 16.1 Appendix A, North Herts Council 2022 – 27 Community Consultation strategy
- 16.2 Appendix B, Consultation Obligations, Assessing the approach to consultation and Process for determining consultation approach.

17. CONTACT OFFICERS

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2022 – 27 COMMUNITY CONSULTATION STRATEGY

1.0 CONSULTATION OBJECTIVES

Consultation and engagement with our community plays a key role in helping the council deliver its objectives and statutory obligations. A new **Council plan** was agreed for the period 2022-2027 and contains three new priorities which are:

1. People first
2. Sustainability
3. A brighter future together

The key starting point for our Community Consultation Strategy is ensuring that consultation forms part of the process for delivering on our core priorities. With that in mind, our consultation objectives are to:

- Provide opportunities for residents and stakeholders to have their say on issues that are important to them.
- Support elected councillors to exercise their democratic role in the decision-making process.
- Ensure a range of consultation channels are used, including increased use of digital channels to:
 - reach a wider, more representative sample of our community
 - make it easier for people to share their views
 - enable two-way conversations by sharing progress updates along the way
 - reduce the historical costs of consulting our community whilst increasing the frequency
- Improve the quality and cost effectiveness of consultation activity in the council.
- Share the results of our consultations with our community.
- Let you know where and how consultation has influenced decision making.

2.0 WHY WE CONSULT

Our priority is 'People first' and we want to hear from you. You know the district best and we want to provide you with as many opportunities as possible to have your say on issues that are important to you and your community.

Your feedback will enable us to make council services more relevant to our community's needs in the future.

3.0 WHEN WE CONSULT

There are three main types of consultation:

Opinion research surveys

We also use opinion research surveys as a tool to gauge our community's opinion on a range of services. This type of consultation varies from detailed surveys (seeking high level views from local partners on investment plans) to short, snappy surveys asking people what they love most about living in North Herts.

Service-specific

We also carry out service-specific consultation activity from time to time, with methods varying according to the scale and nature of the project. Examples of this include informal on-site face-to-face consultations in parks (when considering the types of play equipment to install) and larger, online consultation surveys on key services such as Waste and Recycling.

Statutory

Councils sometimes have a statutory requirement to consult residents, and this is especially true for issues such as planning or redevelopments. Statutory consultations are bound by legal requirements and can have strict rules surrounding how they should be conducted. Where the duty to consult is imposed by statute, the procedure to be adopted is also likely to be prescribed by legislation.

4.0 HOW WE CONSULT

Consultation happens on a daily basis across the council in an informal sense. From day-to-day contact with our community, to listening to feedback provided to our Customer Service team through our **compliments, comments and complaints process**. We use a variety of consultation methods to ensure that you can influence the development of policies and help inform service delivery. For non-statutory consultations, the right tool must be considered for the type of consultation with cost-effectiveness also considered.

Elected councillors

Elected councillors play a crucial role in community consultation through their roles as community leaders and in scrutinising the work of the council. Councillors form a crucial link between our community and the council both through initiatives such as Councillor Surgeries and Town Talks (follow us on Facebook @northhertsdc for future meetings) and providing residents with an opportunity for personal contact by email, phone, post or in person.

The pandemic has also seen Councillors embrace new platforms for consultation, such as 'whole street' zoom meetings to discuss localised issues.

Critically, councillors are elected to represent your views and opinions and do this through the formal decision-making process, where they have the ability to scrutinise council decisions and policies.

Our community engage platform

Our community engage platform enables us to utilise a range of tools, including project creation, a mapping mechanism, discussion boards and the ability to create detailed surveys. This platform enables us to share project updates with you along the way and have two-way conversations on issues which matter to you. **Sign up here** to be the first to hear about our future projects and surveys.

District Wide Survey

We have historically carried out a **District Wide Survey** every two years to gain high level feedback and opinion on council services. The questions set have remained largely the same each time to enable satisfaction level comparisons. The District Wide Survey has traditionally been a phone-led survey which is proving more difficult to complete in this new digital age, so we are currently investing in alternative technology to enable us to reach more people, more frequently.

Citizens Panel

Our citizens panel are district residents who have expressed interest in being contacted via email for their opinions on a variety of topics related to council business. They play a key role in informing council decisions and if you'd like to be part of this going forwards, please **click here**.

Local partner pool

Our local partner pool includes voluntary organisations, Town Business Improvement District's (BIDs), Education providers, businesses and MP's from across the district who we continue to approach for feedback on relevant consultations. **Click here** to join.

'Community asks' surveys

On occasion, we send out quick, simple, online surveys regarding a number of topics which are usually more informal. These tend to be shared on social media (follow us on Facebook @northhertsdcc) and in our **weekly e-newsletters**.

Face to face research

In certain circumstances face-to-face consultation is most effective, including councillor surgeries and focus groups. This particularly enables us to capture the views of those people in our community who aren't online or are harder to reach. Focus groups, in particular, can be very resource intensive and expensive, so only used when really necessary.

Social media and e-newsletters

We mainly use our social media channels and e-newsletters to communicate consultations to our community. To keep up to date with projects and share your views, **sign up here** for e-newsletters and follow us on Facebook (@northhertsdcc), Twitter (@NorthHertsDC) and Instagram (@northhertsdcc).

5.0 KEEPING YOU UPDATED

Your feedback is important to us. We'd love to hear your views and keep you informed on the progress of projects and next steps on services.

Sign up here for announcements of new projects and progress updates on current projects through our community engage platform.

Click here to sign up to our Citizen's Panel or Local Partner Pool – just let us know which you're signing up for.

Results of all consultations will also be published on our website: www.north-herts.gov.uk/consultations

6.0 CONTACT

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Appendix B

- Consultation obligations
- Assessing the approach to consultation
- Process for determining consultation approach

1.0 CONSULTATION OBLIGATIONS – the duty to consult

In some areas, legislation (or statutory guidance) expressly imposes a duty on a public authority to engage in some form of consultation before taking a particular decision or exercising a particular function. Statutory provisions exist in the areas of:

- 1) Health
- 2) Environment
- 3) Equality

Even where there is no express duty to consult, the courts may imply a duty to consult as part of a public authority's general duty to act fairly, for example if nature and impact of the decision may mean that fairness requires it. The more serious the impact of a decision is on affected individuals, the more important it is that the right decision is reached and that those affected feel that their concerns have been considered by the decision-maker. Broadly, therefore, the more serious the impact, the more likely it is that fairness requires the involvement of affected individuals in the decision-making process by some form of consultation.

In March 2015, the Government introduced Best Value Statutory Guidance. 'Best Value Duty' applies to how local authorities should work with voluntary and community groups and small businesses when facing difficult funding decisions. Authorities are to 'consider overall value, including economic, environmental and social value, when reviewing service provision.' To reach this balance, prior to choosing how to achieve the 'Best Value Duty' authorities remain 'under a duty to consult representatives of a wide range of local persons.' This duty to consult is not optional.

The doctrine of legitimate expectation (common law) is rapidly becoming the most important aspect of the law of consultation. It is now seen as common law, whereby the courts recognise consultees' rights to expect a fair process which incorporates guidance and management promises. The legitimate expectation applies:

- When there has been a clear promise of consultation
- Where official guidance or policies imply a promise to act in a particular way
- Where there is a withdrawal of a benefit with significant impacts to be considered
- Where the nature of the relationship would create unfairness if there were to be inadequate consultation.

Essentially, where people have come to legitimately expect a process of consultation, for example, with local authority budget cuts or healthcare changes, there are grounds for a judicial review should a public consultation not take place. Similarly, a consultation must be conducted properly should the choice be taken to embark on one (whether a legal requirement exists for it or not). This is part of ensuring that the consultation process remains a fair one.

In non-statutory consultations it is up to the Authority to decide whether there is a duty to consult anyone and if so what 'fair consultation' entails in the circumstances. The Cabinet Office Consultation Principles 2018 document states that consultations must:

- Be clear and concise
- Have a purpose
- Be informative
- Form one part of an overall process of engagement
- Last for a proportionate amount of time
- Be targeted
- Take account of the groups being consulted
- Facilitate scrutiny
- Publish responses within 12 weeks
- Not be launched during election periods

In some circumstances there will be no requirement to consult, and this will depend on the issues, the nature and impact of the decision and whether interested groups have already been engaged in the policy-making process. However, if the proposals could have a significant or serious impact on those affected then it is likely that consultation should take place before a decision is taken.

2.0 ASSESSING THE APPROACH TO CONSULTATION – carrying out a fair consultation (The Gunning Principles)

When there is a duty to consult, the duty is to engage in a lawful and fair consultation, and any consultation (whether there is a Duty to Consult or not) should be both adequate and fair. To establish if proposed consultation is fair, services should be guided by a set of principles set out in case law¹ otherwise known as the Gunning Principles, which defined that a consultation is only legitimate when these four principles are met:

1. Proposals are still at a formative stage. A final decision has not yet been made, or predetermined, by the decision makers.
2. There is sufficient information to give 'intelligent consideration'. The information provided must relate to the consultation and must be available, accessible, and easily interpretable for consultees to provide an informed response
3. There is adequate time for consideration and response. There must be sufficient opportunity for consultees to participate in the consultation. There is no set timeframe for consultation, despite the widely accepted twelve-week consultation period, as the length of time given for consultee to respond can vary depending on the subject and extent of impact of the consultation
4. 'Conscientious consideration' must be given to the consultation responses before a decision is made. Decision-makers should be able to provide evidence that they took consultation responses into account.

These principles have subsequently been reinforced and form a strong legal foundation from which the legitimacy of public consultations is assessed and are frequently referred to as a legal basis for judicial review decisions.

¹ (R v London Borough of Brent, ex p Gunning [1985] LGR 168)

3.0 PROCESS FOR DETERMINING CONSULTATION APPROACH

It is at the discretion of each service area in conjunction with their Executive Member to determine the appropriate methods of consultation, as this will vary according to individual requirements. A simple model that services should follow is below:

Stage One: When considering a potential change to service or policy, the Service Director, in conjunction with the relevant Executive Member, should consider whether the Duty to Consult applies and should agree a proportionate approach to consultation. The Service Director should carefully consider the Gunning Principles when designing any consultation activity.

Stage Two: Service area to consider the issues to be addressed as part of a consultation and identify the key stakeholders to be consulted at an early stage. These key stakeholder groups should be agreed in conjunction with the relevant Executive Member. Consideration should be given to how to include and engage any minority or disadvantaged groups in the consultation.

Stage Three: If appropriate, hold an initial key stakeholder consultation to consult on overarching themes and principles.

Stage Four: After considering responses from key stakeholders, draw up a more specific and targeted public consultation using appropriate methodology. Where relevant, the Zencity Engage Platform will be the method of choice. Consideration should be given to how to include and engage any minority or disadvantaged groups in the consultation. Advice can be sought from the Communications team on methodology and survey wording.

Stage Five: Publicise consultation responses where appropriate and publicly demonstrate how consultation responses will be used in the next steps of the project. Adopt a 'You Said, We Did' approach to giving feedback. Keep people who have participated in the consultation informed about the progress of the project.

4.0 CONTACT

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CABINET
13 September 2022

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: 2022 District Wide Survey

REPORT OF: Service Director, Place

EXECUTIVE MEMBER: Leader of the Council, Elizabeth Dennis-Harburg

COUNCIL PRIORITY: PEOPLE FIRST and A BRIGHTER FUTURE TOGETHER

1. EXECUTIVE SUMMARY

To advise Cabinet of the key findings and action points arising from the 2022 District Wide Survey.

2. RECOMMENDATIONS

- 2.1 That Cabinet comment on and note the key findings and observations from the District Wide Survey.
- 2.2 That Cabinet note that the results will be considered by the Leadership Team in conjunction with Executive Members and an action plan produced.

3. REASONS FOR RECOMMENDATIONS

To ensure that Cabinet is aware of the results and any trends from previous surveys and how the results will be used to inform future service delivery.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. None.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1. The biennial District Wide Survey is one of the Council's key mechanisms for seeking the views and opinions of North Herts residents on a range of services and issues. The Executive Member for Community Engagement, Leader of the Council, Deputy Leader of the Council and Political Liaison Board members have been consulted on the findings of the 2022 District Wide Survey. The results will also be shared at a staff briefing.

6. FORWARD PLAN

- 6.1 This report contains a recommendation on a key Executive decision that was first notified to the public in the Forward Plan on the 25 April 2022.

7. BACKGROUND

- 7.1 The 2022 District Wide Survey was carried out in line with the Council's agreed Consultation Strategy 2015-2022. The survey is carried out every two years in order to capture residents' views and perceptions of services and facilities provided by the Council.
- 7.2 Opinion Research Services, an independent research agency, were commissioned by the Council to carry out the research on our behalf. They conducted 800 telephone interviews of North Herts residents between 25 January and 30 June 2022. Quota controls were used to ensure a representative sample. The returned sample was subsequently weighted by tenure, working status, ethnic group, age and gender to achieve results which are broadly representative of the North Herts population.
- 7.3 The question set remains largely consistent from one survey exercise to the next (with some minor variations) to allow benchmarking from year to year. Comparisons with previous results are made at appropriate points in the survey. Prior to 2011 the survey was carried out face to face rather than on the telephone and therefore those results are not directly comparable. Comparisons with national figures are taken from the February 2022 Local Government Association (LGA) National survey.
- 7.4 The results of the survey will be considered by the Leadership Team in conjunction with Executive Members and an action plan produced.
- 7.5 The figures and tables in the report are extracted directly from the full research report prepared by Opinion Research Services. As only a selection of the figures and tables appear in this report, the numbering is not always in sequential order.

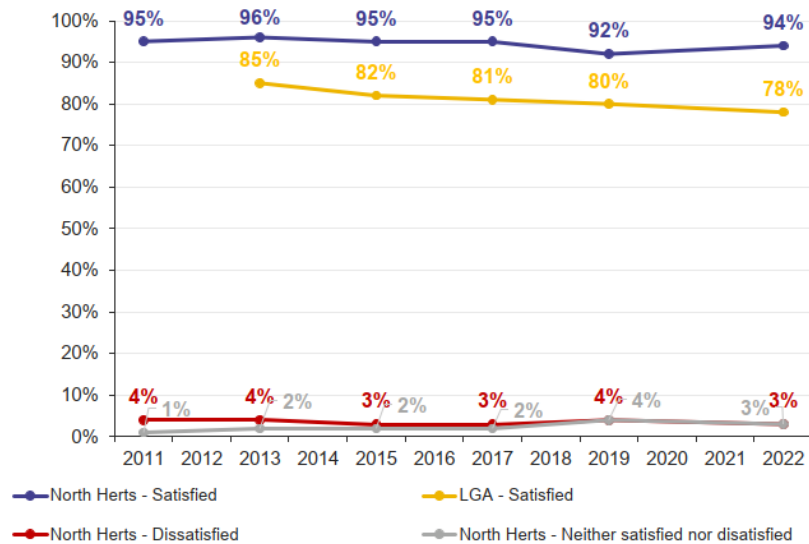
8. RELEVANT CONSIDERATIONS

Key findings

8.1 The Local Area and Overall satisfaction

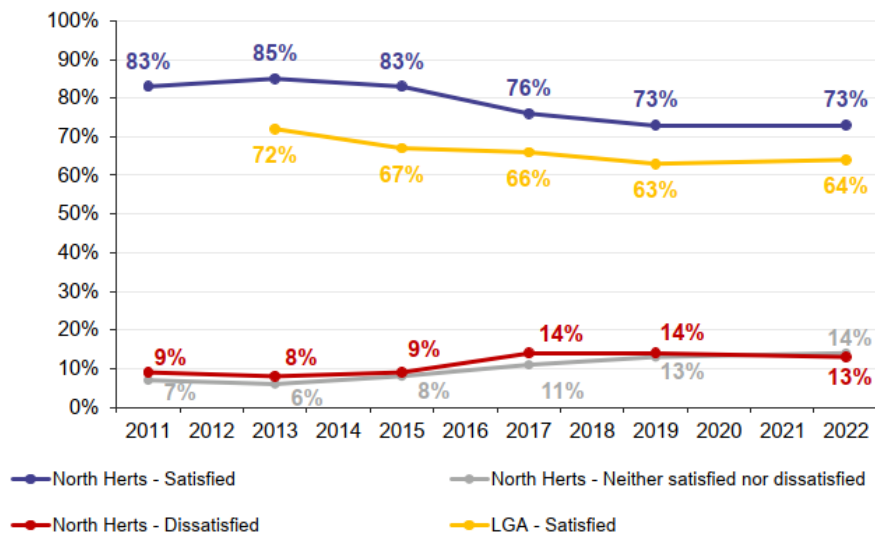
- 8.1.1 The vast majority of residents (94%) were satisfied with their local area as a place to live. This compares favourably to the latest LGA benchmark satisfaction rate of 78% and has increased by 2% since 2019.

Figure 2: Overall, how satisfied or dissatisfied are you with this area as a place to live? North Herts Council and National Results - trends over time.



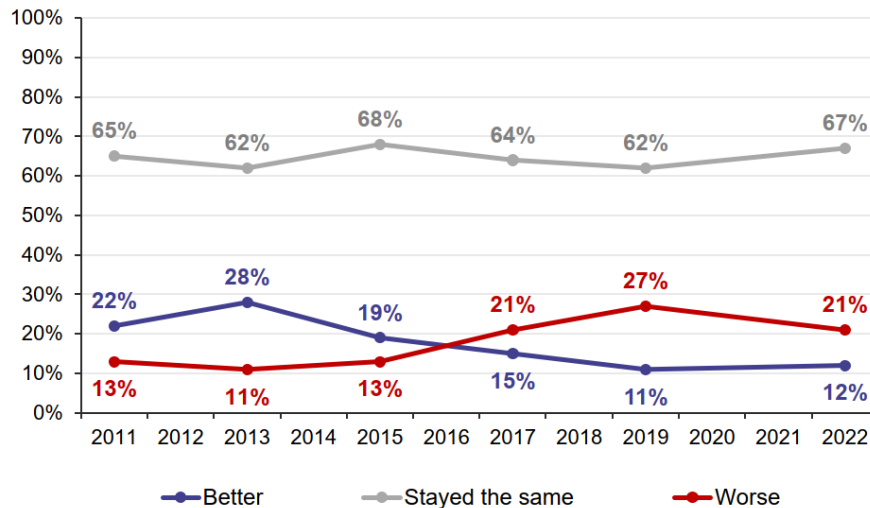
- 8.1.2 Overall satisfaction with the way the Council runs things has remained at the same level as 2019 (73%), following six years of decline between 2013 and 2019. It is still well above the LGA benchmark satisfaction rate of 64%.

Figure 7: Overall, how satisfied or dissatisfied are you with the way North Herts Council runs things? North Herts Council and National Results - trends over time.



8.1.3 The percentage of residents who feel ‘the way North Herts Council runs things has got worse’, has declined from 27% in 2019 to 21% in 2022, this is still considerably higher than those who feel ‘the way North Herts Council runs things has got better’ which has improved by just 1% from 2019 to 12%. Those residents who feel things have stayed the same has improved by 5% on the 2019 score.

Figure 13: Thinking about the way North Herts Council runs things, do you think it has got better, stayed the same or got worse over the last two years? Trends over time.



8.1.4 Those residents who expressed dissatisfaction with the way the Council runs things, were invited to comment on how they feel the Council could improve things. Their comments were coded into themes and the top themes are below. It is worth noting that some of the themes relate to services provided by Hertfordshire County Council rather than North Herts Council:

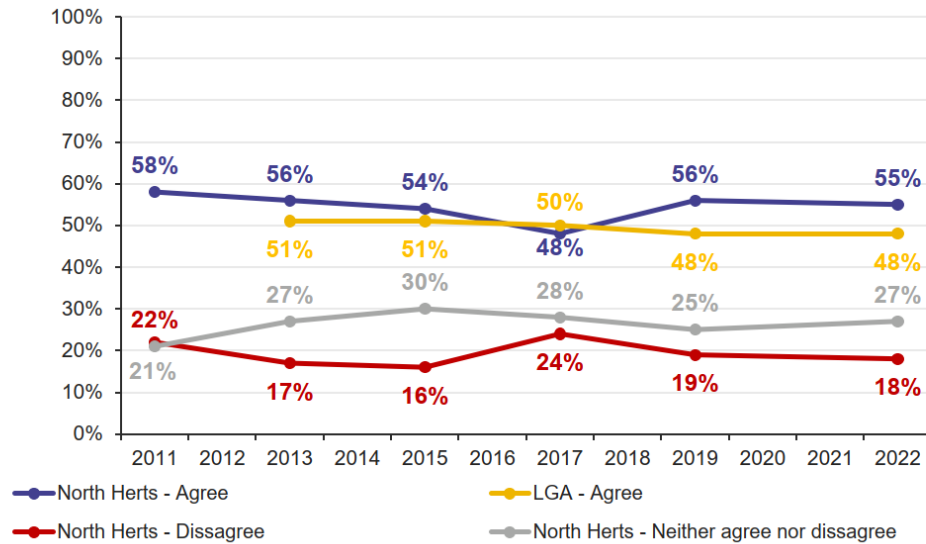
- Improving the look of the local area (36%) with examples given as fixing potholes, tackling fly tipping and improving footpaths.
- Improving refuse/recycling collection (32%) in particular, street cleaning.
- Improved communications (23%) with comments given such as ‘clear and transparent’ and ‘find out what people want and act on it’.

8.2 Value for money

8.2.1 Over half (55%) of residents agree that North Herts Council provides value for money, whilst just over a quarter (27%) neither agree nor disagree, and just under a fifth (18%) disagree. These results have remained in-line with 2019.

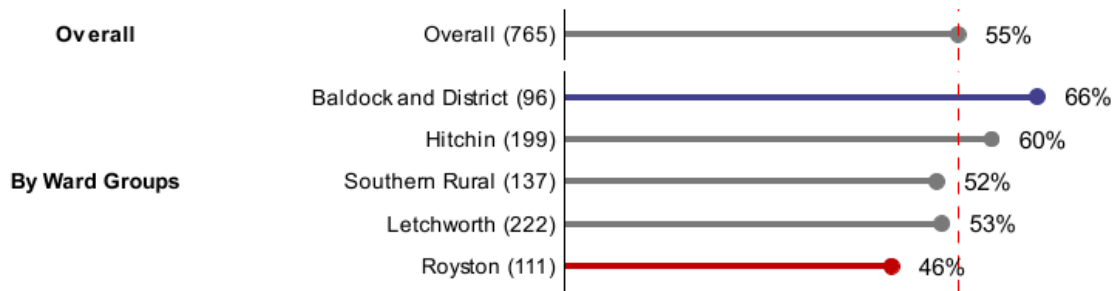
8.2.2 Agreement that the Council provides value for money is significantly higher in North Herts than at a national level. The LGA February 2022 National survey found less than half (48%) of residents agreed their council was providing value for money, 7% lower than in North Herts.

Figure 10: To what extent do you agree or disagree that North Herts Council provides value for money?
North Herts Council and National Results - trends over time.



8.2.3 There is noticeable variation in the level of agreement that the Council provides value for money by the 111 Royston residents surveyed with only 46% agreeing Vs the overall agreement level of 55%.

Figure 11: To what extent do you agree or disagree that North Herts Council provides value for money?
Agreement by subgroup



8.3 Attitudes towards the Council

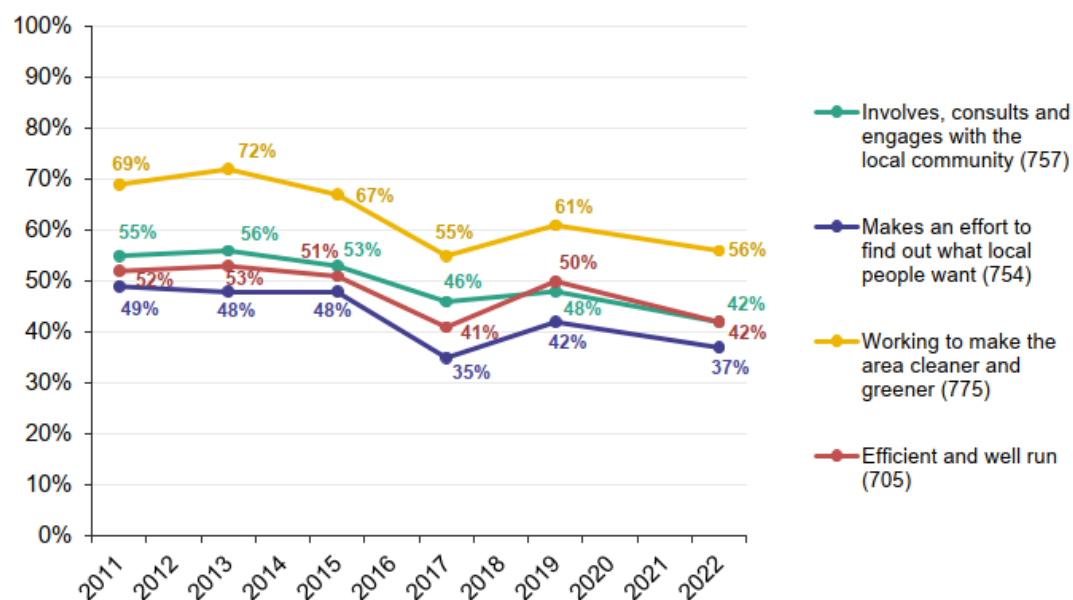
8.3.1 Residents were asked about a number of statements regarding the Council and their agreement levels with those statements were recorded. 56% agree that North Herts Council are 'working to make the area cleaner and greener' (a 5% decline since 2019); 42% agree 'North Herts Council is efficient and well run' (a decline of 8% since 2019); and 37% of residents agree North Herts Council 'makes an effort to find out what local people want' (a decline of 5% since 2019).

Figure 15: Do you agree, disagree or neither agree nor disagree with the following...?



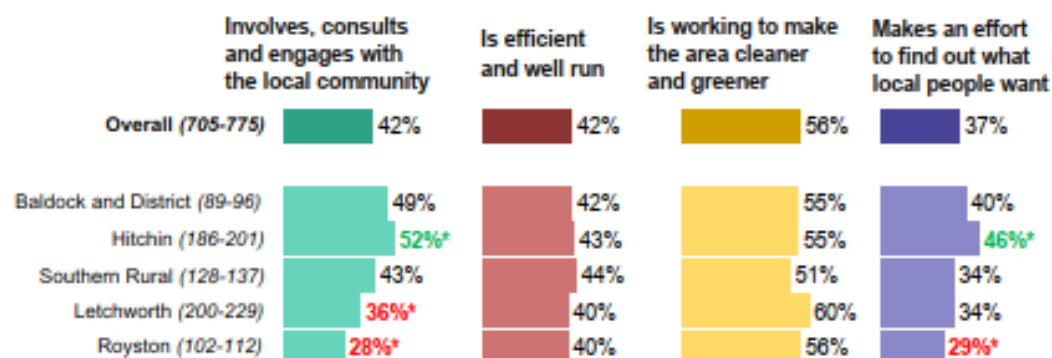
8.3.2 Although the percentage of residents who agree with each statement has declined since 2019, it is also important to note that the percentage of residents who disagree has also declined since 2019, alongside an increase in residents who tend not to agree or disagree.

Figure 16: Do you agree, disagree or neither with the following statements about North Herts Council? % of residents who agree. Trends over time.



8.3.3 It is also important to note that only 28% of the 111 Royston residents surveyed agreed that North Herts Council 'involves, consults and engages with the local community', vs the overall survey percentage of 42%.

Figure 17: Do you agree, disagree or neither with the following statements about North Herts Council?
Percentage of residents who agree by subgroup



8.4 Involvement in decision making

- 8.4.1 When asked whether they felt they were able to influence decisions affecting their local area, levels of agreement and disagreement were in line with the results from the 2019 survey.
- 8.4.2 Three in ten residents (30%) would like to be more involved in the decisions that affect their area. This has dropped considerably since the 2019 survey and interestingly a much higher proportion of residents surveyed in 2022 (49% Vs 19% in 2019) now say 'it depends on the issue' and whether it is 'local to me'.

Figure 4: Do you agree or disagree that you can influence decisions affecting your local area?

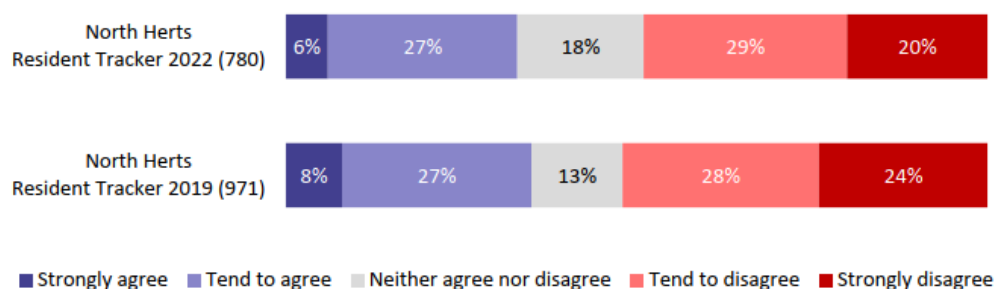
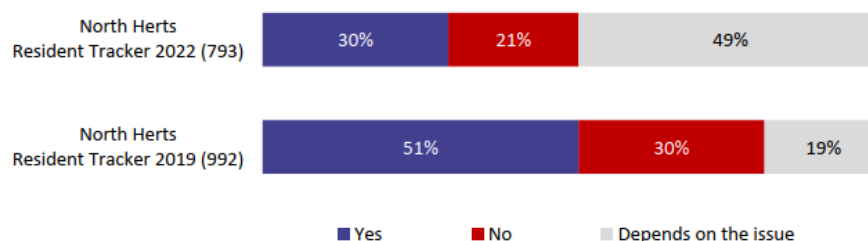


Figure 5: Generally speaking, would you like to be more involved in the decisions that affect your local area?



8.5 Council Services

- 8.5.1 Almost four fifths (79%) of residents are satisfied with general waste and recycling collection. This has significantly increased (by 12%) compared to 2019 scores and is now in line with the national average (82%).
- 8.5.2 Almost two thirds (65%) are satisfied with the Council's street cleaning, which is in line with the national average (68%) but has declined by 6% since 2019 and those residents who are dissatisfied have increased by 7% since 2019.

Figure 18: How satisfied, dissatisfied or neither are you with the following services provided by North Herts Council...?

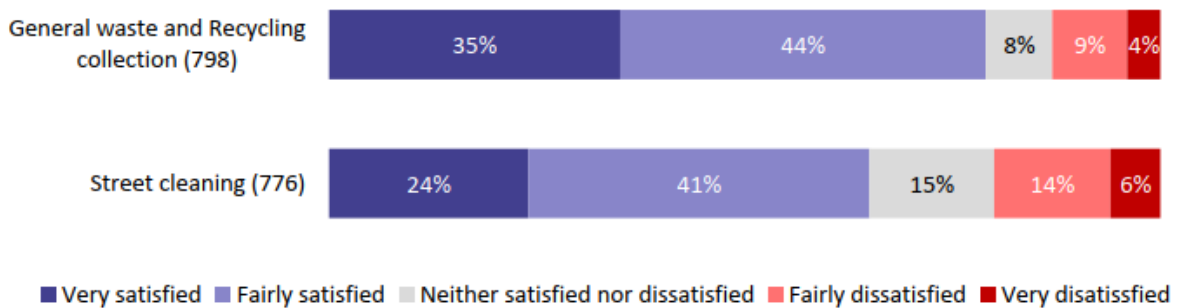
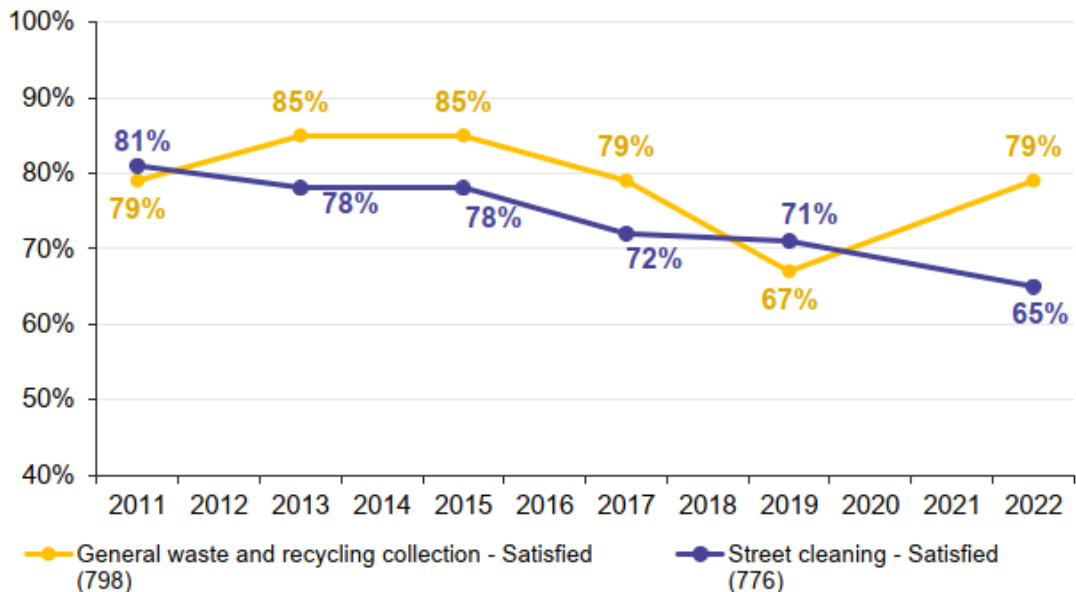


Figure 19: Are you satisfied or dissatisfied or neither satisfied nor dissatisfied with the following...? Percentage of residents who are satisfied. Trends over time.



- 8.5.3 Residents were asked if they had used a number of Council services in the last year. The most-used services by residents, by a huge majority were 1) our parks and open spaces (82%) and 2) Public car parks (72%). Use of children's play areas/grounds and Council run leisure facilities were 38% and 34% respectively.
- 8.5.4 Use of public car parks and Council run leisure centres declined in the past year, which will be in part, due to pandemic measures put in place.

Table 8: Have you used any of the following within the past year? (Council service use from 2011 – 2022 * indicates a significant change)

Service/facility	% Users 2011	% Users 2013	% Users 2015	% Users 2017	% Users 2019	% Users 2022	% change 2019 to 2022
Parks and open spaces (799)	78%	79%	75%	73%	75%	82%	+7%*
Public car parks run by North Herts Council (793)	77%	78%	78%	78%	78%	72%	-6%*
Children's play areas / multi-use games areas (794)	41%	46%	41%	40%	40%	38%	-2%
Council run leisure facilities (795)	55%	48%	46%	44%	44%	34%	-10%*
Any benefits administered by the Council (792)	-	13%	15%	15%	15%	19%	+4%*
North Hertfordshire Museum (799)	-	-	-	-	15%	14%	-1%
Housing Services (789)	6%	4%	5%	7%	11%	10%	-1%
Council's Careline Community Alarms Service (790)	-	2%	3%	3%	4%	5%	+1%

8.5.5 Residents who had used Council services were subsequently asked about their satisfaction with those services. Satisfaction with services such as North Herts Museum and Careline were over 90% (albeit based on small percentage of residents surveyed). There is a long-term decline in satisfaction with housing services over the last 10 years, however, it is important to note that the 2022 satisfaction score is based on a very small sample size of 62 (compared to 102 in 2019).

Table 9: Are you satisfied or dissatisfied or neither satisfied nor dissatisfied with the following:
(satisfaction of services 2011 – 2022 * indicates a significant change)

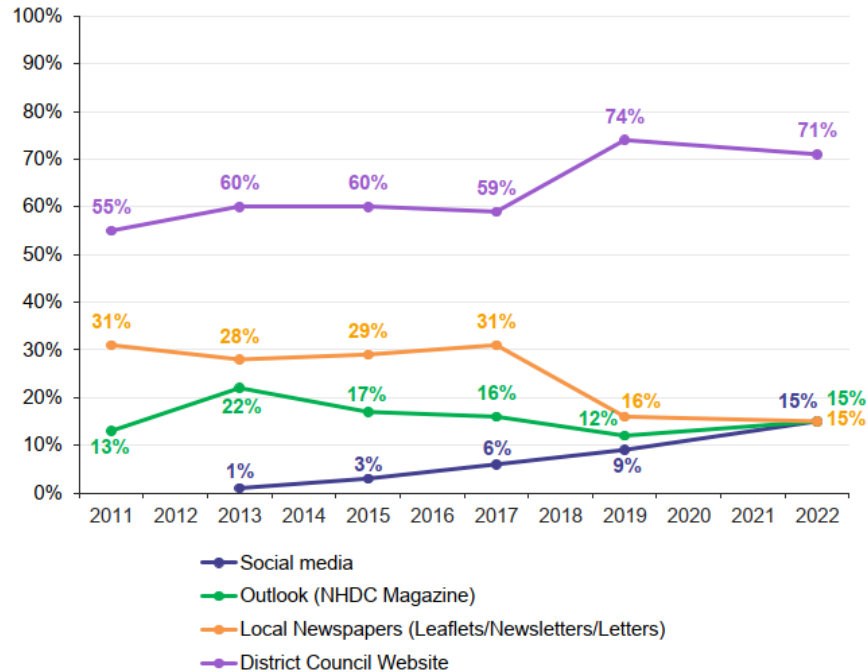
Service/facility	Satisfied % 2011	Satisfied % 2013	Satisfied % 2015	Satisfied % 2017	Satisfied % 2019	Satisfied % 2022	% Change 2019 to 2022
North Hertfordshire Museum (125)	-	-	-	-	87%	97%	+10%*
Council's Careline Community Alarms Service (53)	-	100%	100%	92%	86%	95%	+9%
Parks and open spaces (608)	89%	93%	93%	92%	89%	91%	+2%
Children's play areas / multi-use games areas (257)	87%	90%	90%	88%	83%	86%	+3%
Council run leisure facilities (216)	92%	90%	91%	91%	85%	85%	-
Any benefits administered by the Council (175)	-	91%	89%	86%	77%	76%	-1%
Public car parks run by North Herts Council (537)	75%	76%	77%	77%	71%	68%	-3%
Housing Services (62)	79%	76%	77%	79%	73%	61%	-12%

8.6 Information and Communication

8.6.1 Residents were asked where they normally obtain information about the Council. 71% said the Council's website, followed by local newspapers, social media and Outlook magazine all at 15%.

8.6.2 As you can see below, social media as an information channel for residents has increased by 6% since 2019, with Outlook Magazine increasing by 3%.

Figure 23: Where do you normally obtain information about North Herts Council if you need it? (Trends over time for the four most frequently given responses 2011-2022)⁴



Outlook magazine:

8.6.3 Around seven in ten (71%) residents have seen or had a copy of 'Outlook' delivered to their door in the last 12 months. This is a 1% increase on the 2019 survey but a 9% decrease on 2010 survey results.

8.6.4 Nearly four fifths of those surveyed (79%) like the way the magazine looks and is presented, just over seven in ten (72%) like the way it is written, and around two thirds (66%) find it interesting

8.6.5 Age is the factor that best tallies with how much of Outlook is read by a resident. Table 10 shows that residents who are under the age of 45 are significantly less likely to have read all or nearly all of Outlook, whereas residents aged 65 or over are significantly more likely to have read all or nearly all of the magazine.

Table 10: Interaction with 'Outlook' among different age demographics (seen or received 'Outlook').

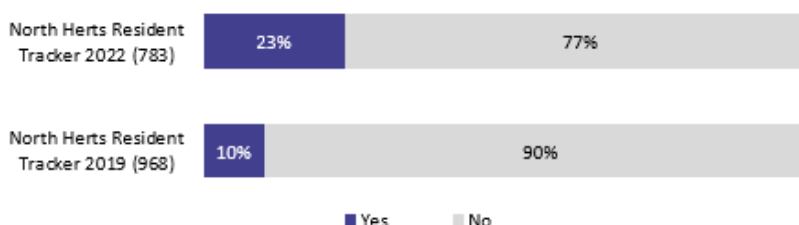
* indicates a significant difference.

Level of interaction with 'Outlook'	Total	16 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75 or over
Read all or nearly all of it	31%	12%*	14%*	33%	37%	42%*	60%*
Read a few articles	32%	28%	35%	29%	33%	34%	31%
Just glanced at it	31%	48%	46%*	27%	25%	24%*	8%
Didn't look at it at all	5%	12%	5%	11%	5%	1%*	1%*

E-newsletters:

8.6.6 The percentage of residents surveyed who have signed up to receive our e-newsletters has more than doubled since the 2019 survey.

Figure 28: Have you signed up to receive email bulletins from North Herts District Council?



8.6.7 Over seven in ten (72%) residents like the way the e-bulletins are written, whilst around two thirds (66%) of residents find the information in the e-bulletins useful to them and a similar proportion (64%) agree that North Herts Council's email newsletters/e-bulletin service topics are of interest to them.

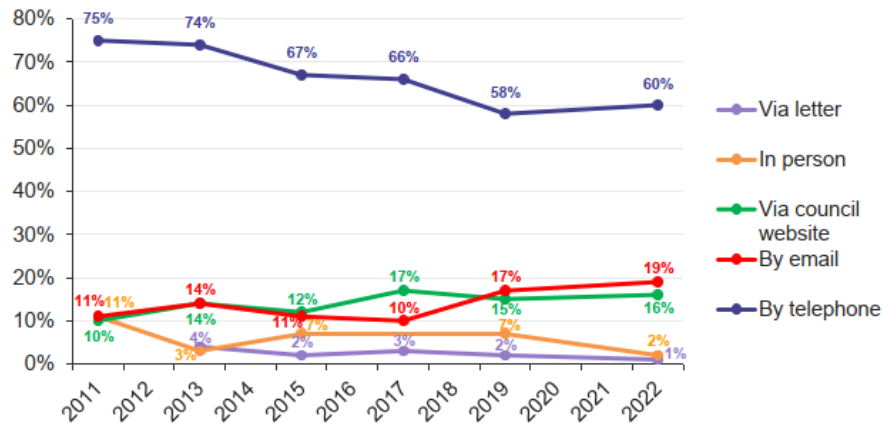
8.7 Contact with the Council

8.7.1 54% of residents said they have contacted the Council in the last year and this has remained relatively consistent in the last ten years. Of those, the top four reasons for contact were:

- To report an issue or problem – 36% (an increase of 2% Vs 2019)
- To ask for advice/information – 23% (an increase of 6% Vs 2019)
- To apply to use a service – 10% (a decrease of 2% Vs 2019)
- To make a complaint – 9% (a decrease of 3% Vs 2019)

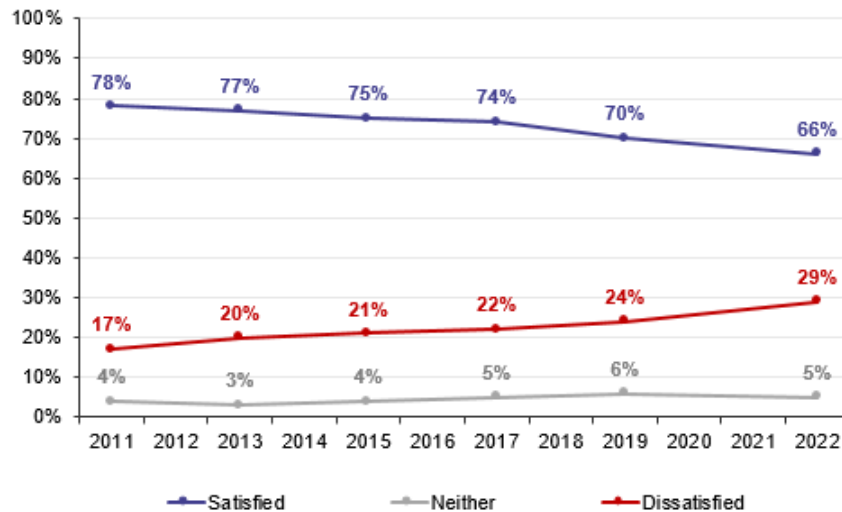
8.7.2 Despite the long-term decline in the proportion of residents contacting the Council by phone, it remains the most popular method of contacting the Council, with 60% of residents choosing this method. Contact by email has increased by 2% and contact through the website by 1%.

Figure 32: How did you contact the Council? ⁵ Trends over time



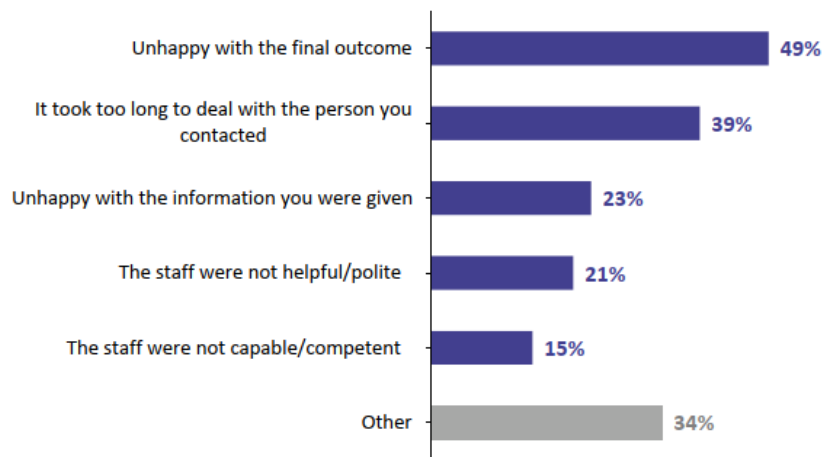
8.7.3 Satisfaction levels in those residents who contacted the Council dropped by 4% vs 2019 levels and dissatisfaction levels increased by 5% vs 2019.

Figure 34: Overall, how satisfied or dissatisfied are you with the service you received the last time you contacted the Council? Trends over time.



8.7.4 Of the residents who had contacted the Council and were dissatisfied with the service, around half (49%) said that they were dissatisfied because they were unhappy with the final outcome. Those who had originally contacted the Council to make a complaint or report an issue were significantly more likely to be dissatisfied because of the final outcome.

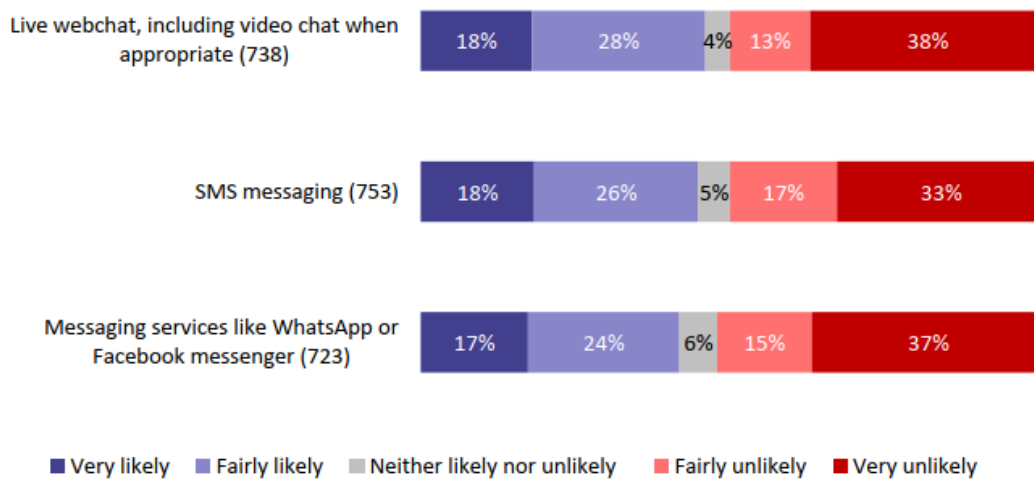
Figure 35: Why were you dissatisfied with the service you received the last time you were in contact with the council?



New methods of contact:

8.7.5 Looking ahead to other potential forms of contact with the Council, residents were asked how likely or unlikely they would be to use three potential methods of contact. The method that the largest proportion of residents say they are likely to use is a live webchat, with just under half (46%) of residents saying they would be likely to use the service.

Figure 36: If the council were to start using the following methods of contact, how likely or unlikely would you be to use them to contact the council?



8.8 Observations on overall Council performance

8.8.1 Strengths

- Satisfaction with the local area as a place to live has consistently been very high even when the national trend has been downward.
- Overall satisfaction with the Council remains significantly above the national level and has stabilised from the downward trend observed between 2013 and 2019.
- Agreement for 'the Council provides value for money' is significantly higher than the national level for the second consecutive survey after previously dipping below the national level in 2017.
- Satisfaction with general waste and recycling collection has seen a significant increase from a decrease in 2019, bringing it back in-line with the 2017 result and the national average (for general waste collection).

8.8.2 Areas of focus:

- For the third consecutive survey the percentage of residents that think the running of the Council is getting worse is larger than the percentage who think it is getting better.
- Satisfaction with street cleaning, benefits administered by the Council, and housing services have all continued a long-term declining trend falling to their lowest recorded levels.
- For those residents who contacted the Council in the last year, satisfaction with the service they received has fallen to its lowest level on record and dissatisfaction has risen to its highest level.

8.8.3 To explore further:

- Satisfaction with 'consults and engages with the community' has declined since 2019 and we are looking to address this through our 2022-27 Community Consultation Strategy.
- Royston residents are less likely to agree that the Council offer value for money and also scored lower than other areas of the district on 'North Herts Council involves, consults and engages residents'. Although this is based on the feedback from circa 100 residents this coincides with feedback at recent cross-district focus groups on a future Place Narrative where Royston residents mentioned not feeling 'part of the district' so worth keeping an eye on.
- Potential new forms of customer contact ie a proportion of residents indicated interest in a 'live chat' option on our website.

9. LEGAL IMPLICATIONS

- 9.1 The Cabinet has under 5.6.1 of its terms of reference, the function to prepare and agree to implement policies and strategies other than those reserved to Council.
- 9.2 The Cabinet under 5.6.15 of its terms of reference oversees the provision of all the Council's services other than those functions reserved to the Council, therefore can consider the outcome of the District Wide Survey report.
- 9.3 There are no legal implications arising from this report. If any actions are identified as a result of the findings of the District Wide Survey 2022, the legal implications of those will be considered at the time.

10. FINANCIAL IMPLICATIONS

- 10.1 There are no direct financial implications from this report. The cost of the research undertaken was funded from the existing budget provision for corporate consultation.

11. RISK IMPLICATIONS

- 11.1 Conducting the District Wide Survey is an important tool for shaping the Council's Objectives. If the results of the survey are not acted upon, there is a risk that public satisfaction with the Council will reduce, leading to a negative impact on the Council's reputation. In order to mitigate this risk, Service Directors and service managers use the results as part of the service action planning process, enabling the Council to address any areas of concern.

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 returned sample of those surveyed was checked against comparative data for age, gender, working status, ethnic group, tenure and disability then subsequently weighted by age, gender and tenure. This ensured that the results are broadly representative of the population of North Hertfordshire.
- 12.3. The report highlights areas where satisfaction levels could be improved. Any mitigating actions may be incorporated into the formulation of the relevant Service Plans to improve service provision, where appropriate. These will be proportionate and reflect the authority's duty under the public Sector Duty. Any identified service improvements may require an analysis of equality impact prior to implementation.

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 the 2022 District Wide Survey.

15. HUMAN RESOURCE IMPLICATIONS

- 15.1 Where actions are agreed to be followed up, those will form part of the relevant department's service action plan and any employee resources and training will be considered as part of that planning.

16. APPENDICES

- 16.1 None

17. CONTACT OFFICERS

- 17.1 Christine Crofts, Communications Manager, christine.crofts@north-herts.gov.uk, 01462 474544
- 17.2 Sarah Kingsley, Service Director: Place, sarah.kingsley@north-herts.gov.uk, 01462 474552
- 17.3 Isabelle Alajooz, **Legal** Commercial Team Manager and Deputy Monitoring Officer, Isabelle.alajooz@north-herts.gov.uk, 01462 474346
- 17.4 Ian Couper, Service Director: Resources, ian.couper@north-herts.gov.uk, 01462 474243
- 17.5 Alice Sims, Trainee Policy Officer, alice.sims@north-herts.gov.uk, 01462 474220
- 17.6 Jo Keshishian, HR Operations Manager, jo.keshishian@north-herts.gov.uk, 01462 474314
- 17.7 Rizwan Sarwar, Procurement Officer, rizwan.sarwar@north-herts.gov.uk, 01462 474392

18. BACKGROUND PAPERS

- 18.1.1 The full research report from Opinion Research Services can be found at www.north-herts.gov.uk/districtwidesurvey

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CABINET
13 September 2022

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: FIRST QUARTER INVESTMENT STRATEGY (CAPITAL AND TREASURY) REVIEW 2022/23

REPORT OF: SERVICE DIRECTOR - RESOURCES

EXECUTIVE MEMBER: FINANCE AND I.T.

COUNCIL PRIORITY: ENABLE AN ENTERPRISING AND CO-OPERATIVE ECONOMY

1 EXECUTIVE SUMMARY

- 1.1 To update Cabinet on progress with delivering the capital and treasury strategy for 2022/23, as at the end of June 2022.
- 1.2 To update Cabinet on the impact upon the approved capital programme for 2022/23 – 2031/32. The current estimate is a decrease in spend in 2022/23 of £1.520M and an increase in spend in 2023/24 of £2.048M. The most significant individual changes increasing the spend in 2022/23 relate to, £0.341M Park Home Insulation and £0.110M Playground Renovation. The significant projects that have been reprofiled into 2023/24 are £1.096M Development of John Barker Place, £0.350M Resurface Lairage Car Park and £0.315M Grounds Maintenance Vehicles & Machinery.
- 1.3 To inform Cabinet of the Treasury Management activities in the first three months of 2022/23. The current forecast is that the amount of investment interest expected to be generated during the year is £0.708M. This is an increase of £0.589M on the original estimate.

2 RECOMMENDATIONS

- 2.1 That Cabinet notes the forecast expenditure of £12.252M in 2022/23 on the capital programme, paragraph 8.3 refers.
- 2.2 That Cabinet approves the adjustments to the capital programme for 2022/23 onwards, as a result of the revised timetable of schemes detailed in table 2 and 3, increasing the estimated spend in 2023/24 by £2.048M.
- 2.3 That Cabinet notes the position of the availability of capital resources, as detailed in table 4 paragraph 8.6 and the requirement to keep the capital programme under review for affordability.
- 2.4 Cabinet is asked to note the position of Treasury Management activity as at the end of June 2022.

3. REASONS FOR RECOMMENDATIONS

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

4. ALTERNATIVE OPTIONS CONSIDERED

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

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

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

6. FORWARD PLAN

- 6.1 This report contains a recommendation on a key Executive decision that was first notified to the public in the Forward Plan on the 9th May 2022.

7. BACKGROUND

- 7.1 In February 2022, Council approved the Integrated Capital and Treasury Strategy for 2022/23 to 2031/32. To be consistent with the strategy, the monitoring reports for Capital and Treasury are also integrated.
- 7.2 The Medium Term Financial Strategy for 2022 to 2027 confirmed that the Council will seek opportunities to utilise capital funding (including set aside receipts) for 'invest to save' schemes and proposals that generate higher rates of return than standard treasury

investments. This is one way the Council will allocate resources to support organisational transformation that will reduce revenue expenditure.

- 7.3 Link Asset Services Ltd are contracted to provide Treasury advice. The service includes:
- Regular updates on economic and political changes which may impact on the Council's borrowing and investment strategies
 - Information on investment counterparty creditworthiness
 - Technical updates
 - Access to a Technical Advisory Group.

8. RELEVANT CONSIDERATIONS

- 8.1 The Council has £128.0M of capital assets that it currently owns. The Investment Strategy set out the reasons for owning assets that are not for service delivery, including an assessment of Security, Liquidity, Yield and Fair Value. There have been no significant changes in relation to these since the Strategy was set. The main changes will be sales of surplus land for capital receipts as referenced in table 4.

Capital Programme 2022/23

- 8.2 The full capital programme is detailed in Appendix A and shows the revised costs to date, together with the expected spend from 2022/23 to 2031/32 and the funding source for each capital scheme.
- 8.3 Capital expenditure for 2022/23 is estimated to be **£12.252M**. This is an increase of **£2.905M** on the forecast in the 2021/22 Investment Strategy (Capital and Treasury) Outturn report (reported to Cabinet on 21st June 2022). The increase in spend in 2022/23 is largely due to the acquisition of Churchgate, but this is partially offset by the reprofiling of projects into 2023/24. Table 1 below details changes to capital programme.

Table 1- Current Capital Estimates

	2022/23 £M	2023/24 £M	2024/25 to 2031/32 £M
Original Estimates approved by Full Council February 2022	7.546	5.522	17.311
Changes approved by Cabinet in 3rd Qrt 2021/22	0.821	0	0
Changes approved by Cabinet in 2021/22 Capital Outturn report	0.980	0	0
Revised Capital estimates at start of 2022/23	9.347	5.522	17.311
Full Council approved additional Expenditure – Acquisition of Churchgate	4.350	0	0
Executive Member – Finance and I.T. approved additional Expenditure – Installation of Electric Charging Points at DCO	0.015	0	0
Executive Member – Finance and I.T. approved additional Expenditure – Shared Prosperity	0.060	0	0

	2022/23 £M	2023/24 £M	2024/25 to 2031/32 £M
Fund Interventions (two separate projects at £50k and £10k each)			
Changes at Q1	-1.520	2.048	0
Current Capital Estimates	12.252	7.570	17.311

- 8.4 Table 2 lists the schemes in the 2022/23 Capital Programme that will start or continue in 2023/24:

Table 2: Scheme Timetable Revision:

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

Scheme	2022/23 Working Budget £'000	2022/23 Forecast £'000	Difference £'000	Reason for Difference	Estimated impact on 2023/24 onwards £'000
John Barker Place Development	1,096	0	-1,096	The Development Agreement in place for the JBP development says that the full payment will be made on completion of all the properties in phases 1 and 2. Phase 1 is complete but phase 2 is not expected to be completed until the autumn of 2023.	1,096
Grounds Maintenance Vehicles & Machinery	315	0	-315	IFRS16 accounting standard requires operating leases for all material assets with a duration of more than one year to be recorded on the Council's Balance Sheet. Implementation has however been deferred to 23/24	315
Council car Fleet	141	0	-141	IFRS16 accounting standard requires operating leases for all material assets with a duration of more than one year to be recorded on the Council's Balance Sheet. Implementation has however been deferred to 2023/24.	141
Newark Close Road Replacement	65	0	-65	The temporary repairs carried out last year are holding reasonably well and as such the work can be deferred until next year.	65

Scheme	2022/23 Working Budget £'000	2022/23 Forecast £'000	Difference £'000	Reason for Difference	Estimated impact on 2023/24 onwards £'000
Resurface Lairage Car Park	350	4	-346	The partnering authority assisting with architectural and professional contract management services are no longer able to provide this service due to staff shortages. This has delayed the commencement of the project whilst alternative professional services are sought. Whilst the surfacing works are required to ensure the longer term integrity of the building it is not urgent.	346
Lairage Stairwells redecoration and Window/door replacement	75	0	-75	This project will be incorporated into the Resurface Lairage Car Park project. The project will therefore commence once those issues described above have been resolved	75
Other minor changes			-10		10
Total Revision to Budget Profile			-2,048		2,048

8.5 There are also changes to the overall costs of schemes in 2022/23. These changes total a net increase of £0.528million and are detailed in Table 3

Table 3: Changes to Capital Schemes Commencing in 2022/23:

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

Scheme	2022/23 Working Budget £'000	2022/23 Forecast Spend £'000	Difference £'000	Comments
Park Homes Insulation	0	341	+341	Provision of external wall insulation to eligible Park Homes under the Council's Park Homes Insulation Scheme to improve energy efficiency and reduce fuel poverty. The expenditure is fully financed from government grant received from BEIS.
S106 Projects	0	169	+169	To date, a total of £169k of S106 funds have been released for community schemes.

Scheme	2022/23 Working Budget £'000	2022/23 Forecast Spend £'000	Difference £'000	Comments
Playground Renovation	303	413	+110	The original budget of £180K in 21/22 (£57K spend with £123K budget reprofiled into 22/23) was to fund installation of single interactive play items at Bancroft Hitchin, Serby Ave Royston, Holroyd Crescent Baldock and Jackman's Central Letchworth. However the costs of the works at Jackman's Central, Serby Avenue Royston and Holroyd Crescent cost £18K more due to unforeseen issues to obtain electrical connections. In addition the material costs for each item was higher than anticipated. Cabinet is asked to authorise the additional budget required to complete the original planned works. This approval is required by the Councils financial regulations. Section 106 funding has been identified that could mostly (£81k) off set the shortfall, but please bear in mind that this funding may also have been available to use on other similar projects.
Royston Leisure Centre Solar Thermal Installation	50	70	+20	Project is on hold as tender price received exceeded tolerance limit. The requested increase in budget is required to cover plant costs, strip out works, pipework modifications, pipework integration and contractor prelims as these costs were not included in the original budget.
Letchworth Outdoor Pool Boiler	38	57	+19	Original budget for this project was £40K to replace one boiler (£2K spent in 21/22). The tender price came within the tolerance limit for a budget of this size but, following commencement of the installation, additional works were identified that needed completing. This meant the agreed variation to the tender price exceeded the tolerance limit as. A £40K budget to replace the second boiler is programmed into the Capital program in 23/24 but Officers will request an increase to this budget as part of the Financial Planning process.

Scheme	2022/23 Working Budget £'000	2022/23 Forecast Spend £'000	Difference £'000	Comments
Hitchin Swim Centre Outdoor Boiler Replacement	38	55	+17	Original budget for this project was £40K to replace one boiler (£2K spent in 21/22). The tender price came within the tolerance limit for a budget of this size but, following commencement of the installation, additional works were identified that needed completing. This meant the agreed variation to the tender price exceeded the tolerance limit as. A £40K budget to replace the second boiler is programmed into the Capital program in 23/24 but Officers will submit a new bid within the Financial Planning process requesting an increase this budget.
Acquisition of Churchgate	4,350	4,214	-136	The price paid for the acquisition of Churchgate was split between capital and some revenue costs. As part of the due diligence process there were some reductions in the price paid, and of these £35k adjusted the capital element. Other adjustments affected the total price paid, which reduced some of the acquisition costs, especially Stamp Duty. The original budget also made prudent allowances for the total fees that may be incurred, and these were lower than estimated.
Other minor changes			-12	
Total revision to scheme spend			+528	

8.6 Table 4 below shows how the Council will fund the 2022/23 capital programme.

Table 4: Funding the Capital Programme:

	2022/23 Balance at start of year £M	2022/23 Forecast Additions £M	2022/23 Forecast Funding Used £M	2022/23 Balance at end of year £M
Useable Capital Receipts and Set-aside Receipts	7.719	5.515	(10.527)	2.707
S106 receipts			(0.250)	
Other third party grants and contributions			(1.305)	
IT Reserve / Revenue			(0.170)	
Planned Borrowing			0	
Total			(12.252)	

- 8.7 The availability of third party contributions and grants to fund capital investment is continuously sought in order to reduce pressure on the Council's available capital receipts and allow for further investment. Additional capital receipts are dependent on selling surplus land and buildings. Ensuring that the Council gets best value from the disposal of land and buildings can take a long time and therefore the amounts that might be received could be subject to change.
- 8.8 The Council's Capital Financing Requirement (CFR) at 31st March 2022 was negative £4.61M. Based on current forecasts it will remain negative during 2022/23

Treasury Management 2022/23

- 8.9 The Council invests its surplus cash in accordance with the Investment Strategy (see paragraph 4.2). This surplus cash is made up of capital funding balances, revenue general fund balance, revenue reserve and provisions balances and variations in cash due to the timing of receipts and payments. During the first three months, the Council had an average investment balance of £58.2M and invested this in accordance with the treasury and prudential indicators as set out in the Integrated Capital and Treasury Management Strategy and in compliance with the Treasury Management Practices.
- 8.10 During the quarter the Council has had higher than usual cash balances due to the various grant funding that it has been given by Government to pass on to businesses / individuals. Even though every effort has been made to pass the money on as quickly as possible, there has inevitably been a delay between receipt and payment. There have also been tranches of grant where the amount received has exceeded the amounts eligible for payment. Balances have also been higher due to the reprofiling of capital spend in 2021/22.
- 8.11 The Council generated £0.094M of interest during the first three months of 2022/23. The average interest rate on all outstanding investments at the 30th June was 0.77%. (31st March it was 0.33%). Interest rates have continued to rise and are expected to increase further during the year. Based on current investments and forecasts of interest rates and cash balances for the remainder of the year, it is forecast that the Council will generate £0.708M of interest over the whole of 2022/23.
- 8.12 As at 30th June 2022 the split of investments was as shown in the table below. 6% of total investments (and 23% of the total amount invested in banks) were non-UK banks:

Banks	24%
Building Societies	12%
Government	45%
Local Authorities	19%

- 8.13 The level of risk of any investment will be affected by the riskiness of the institution where it is invested and the period that it is invested for. Where an institution has a credit rating this can be used to measure its riskiness. This can be combined with the period remaining on the investment to give a historic risk of default percentage measure. The table below shows the Historic Risk of Default for outstanding investments at 30 June 2022. The most risky investment has a historic risk of default of 0.016%. It should also

be noted that in general the interest rate received is correlated to the risk, so the interest income received would be less if the Council took on less risk.

Borrower	Principal Invested £M	Interest Rate %	Credit Rating	Days to Maturity at 30 June	Historic Risk of Default %
DMO (Government)	4.5	1.05	AA-	1	0.000
Marsden Bldg Soc	1.5	0.25	*	11	0.011
DMO (Government)	2.0	1.035	AA-	19	0.001
Nationwide Bldg Soc	1.0	0.24	A	19	0.002
DMO (Government)	3.0	0.90	AA-	20	0.001
DMO (Government)	3.0	1.06	AA-	20	0.001
Leeds Bldg Soc	1.0	0.88	A-	20	0.003
Yorkshire Bldg Soc	2.0	0.93	A-	34	0.004
DMO (Government)	3.0	1.125	AA-	36	0.002
Australia & New Zealand Bank	1.0	1.34	A+	48	0.006
Australia & New Zealand Bank	2.0	1.41	A+	48	0.006
DMO (Government)	3.0	1.17	AA-	48	0.003
Leeds Bldg Soc	1.0	1.02	A-	48	0.006
Santander UK	1.0	1.10	A+	48	0.006
Santander UK	1.0	1.00	A+	49	0.006
Moray Council	3.0	0.20	AA-	53	0.003
North Norfolk Council	2.0	0.95	AA-	62	0.004
Blackpool Council	5.0	0.35	AA-	74	0.005
Nat West	1.0	0.39	A+	77	0.010
DMO (Government)	6.0	1.145	AA-	81	0.005
Nat West	2.0	1.28	A+	81	0.010
Nat West	2.0	1.35	A+	81	0.010
Santander UK	1.0	1.48	A+	82	0.010
Santander UK	1.0	1.20	A+	110	0.014
Santander UK	1.0	1.46	A+	123	0.016
	54.0	0.77			

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

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

9. LEGAL IMPLICATIONS

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

9.2 Section 151 of the Local Government Act 1972 states that:

“every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs.”

- 9.3 Asset disposals must be handled in accordance with the Council's Contract Procurement Rules.
- 9.4 The Prudential Indicators comply with the Local Government Act 2003.

10. FINANCIAL IMPLICATIONS

- 10.1 The main financial implications are covered in section 8 of the report.
- 10.2 The Council operates a tolerance limit on capital projects that depends on the value of the scheme and on this basis over the next ten-year programme it should be anticipated that the total spend over the period could be around £3.8M higher than the budgeted £37.1M. Indeed the current high inflation rates may make this situation worse than the tolerance limit of around 10%, particularly with the specific inflationary pressures on construction costs. This report includes one request to approve a variance that exceeded the general tolerance limit.
- 10.3 The capital programme will need to remain under close review due to the limited availability of capital resources and the affordability in the general fund of the cost of using the Council's capital receipts. When capital receipts are used and not replaced the availability of cash for investment reduces. Consequently interest income from investments reduces. £1.0M currently earns the Authority approximately £18k per year in interest. The general fund estimates are routinely updated to reflect the reduced income from investments. When the Capital Financing Requirement (CFR) reaches zero the Council will need to start charging a minimum revenue provision to the general fund for the cost of capital and will need to consider external borrowing for further capital spend. The CFR at the 31 March 2022 was negative £4.61M.
- 10.4 The Council also aims to ensure that the level of planned capital spending in any one year matches the capacity of the organisation to deliver the schemes to ensure that the impact on the revenue budget of loss of cash-flow investment income is minimised.

11. RISK IMPLICATIONS

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

12. EQUALITIES IMPLICATIONS

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

13. SOCIAL VALUE IMPLICATIONS

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

14. ENVIRONMENTAL IMPLICATIONS

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

15. HUMAN RESOURCE IMPLICATIONS

- 15.1 There are no direct human resource implications.

16. APPENDICES

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

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18. BACKGROUND PAPERS

18.1 Investment Strategy (Integrated Capital and Treasury Strategy)

<https://srvmodgov01.north-herts.gov.uk/documents/s18463/INVESTMENT%20STRATEGY%20INTEGRATED%20CAPITAL%20AND%20TREASURY.pdf>

<https://srvmodgov01.north-herts.gov.uk/documents/s18464/Final2%20Cabinet%20Appendix%20A-%20Integrated%20Capital%20and%20Treasury%20Strategy.docx.pdf>

Project	Service Directorate	Spend / Forecast Spend						Funding				
		2022/23 Funding £	2023/24 Funding £	2024/25 Funding £	2025/26 Funding £	2026/27 Funding £	2027/28 - 2031/32 Funding £	Funded from Other Grants	Funded from Government Grant	Funded from s106 contributions	Funded from Revenue / IT Reserve	Balance funded from Capital Receipts/ Set- aside receipts/ Borrowing
Replace items of play equipment Holroyd Cres, Baldock	Place	300	0	0	0	0	0	0	0	0	0	300
Replace items of play equipment Wilbury Recreation Ground, Letchworth	Place	300	0	0	0	0	0	0	0	0	0	300
Replacement of Newark Close, Royston	Commercial	0	65,000	0	0	0	0	0	0	0	0	65,000
Replacement of the timber access bridge at Norton Common	Place	75,000	0	0	0	0	0	0	0	0	0	75,000
Resurface Lairage Car Park	Resources	3,700	346,300	0	0	0	0	0	0	0	0	350,000
Royston Leisure Centre extension	Place	0	1,000,000	0	0	0	0	0	0	0	0	1,000,000
Riverside walkway, Biggin Lane	Place	53,000	0	0	0	0	0	0	0	0	0	53,000
Royston Leisure Centre Changing Village Refurbishment	Place	0	225,000	0	0	0	0	0	0	0	0	225,000
Royston Leisure Centre Dry Side Toilet Refurbishment	Place	0	0	0	30,000	0	0	0	0	0	0	30,000
Royston Leisure Centre Members Changing Refurbishment	Place	0	0	150,000	0	0	0	0	0	0	0	150,000
Royston Leisure Centre Boiler Replacement	Place	0	0	0	0	0	100,000	0	0	0	0	100,000
Royston Leisure Centre Fitness Equipment Replacement	Place	0	0	0	0	150,000	0	0	0	0	0	150,000
Royston Leisure Centre Fitness Facility Refurbishment	Place	0	0	0	0	50,000	0	0	0	0	0	50,000
Royston Leisure Centre Solar Thermal Installation	Place	70,000	0	0	0	0	0	0	0	0	0	70,000
S106 Projects	Various	169,000	0	0	0	0	0	0	0	169,000	0	0
Secured Firewalls	Customers	20,500	0	16,000	0	18,000	18,000	0	0	0	0	72,500
Shared Prosperity Fund Community and Place Interventions	Resources	60,000	0	0	0	0	0	0	60,000	0	0	0
Solar PV installation at Hitchin Swim Centre	Place	0	115,000	0	0	0	0	0	0	0	0	115,000
Solar PV installation at North Herts Leisure Centre	Place	0	260,000	0	0	0	0	0	0	0	0	260,000
Solar PV installation at Royston Leisure Centre	Place	0	185,000	0	0	0	0	0	0	0	0	185,000
St Johns Cemetery Footpath	Place	0	0	40,000	0	0	0	0	0	0	0	40,000
Tablets - Android Devices	Customers	16,700	10,000	10,000	10,000	10,000	20,000	0	0	0	0	76,700
Telephony system	Customers	6,900	0	0	0	0	0	0	0	0	0	6,900
Thomas Bellamy House, Hitchin	Commercial	65,000	0	0	0	0	0	0	0	0	0	65,000
Town Centre Parks Play Provision	Place	15,000	0	0	0	0	0	0	0	0	0	15,000
Transport Plans implementation (GAF)	Regulatory	250,000	0	0	0	0	0	0	250,000	0	0	0
Walsworth Common Pavilion - contribution to scheme	Place	0	300,000	0	0	0	0	250,000	0	37,000	0	13,000
Waste and Street Cleansing Vehicles	Place	0	0	0	4,000,000	0	0	0	0	0	3,200,000	800,000
Weston Hills LNR Footpath Renovation	Place	20,000	0	0	0	0	0	0	0	0	0	20,000
Wilbury Hills Cemetery Footpaths	Place	6,600	10,000	10,000	0	30,000	0	0	0	0	0	56,600
WiFi Upgrade	Customers	0	0	0	40,000	0	0	0	0	0	0	40,000
		12,251,900	7,570,300	4,136,000	8,909,000	1,402,000	2,864,000	298,300	1,207,100	557,400	3,370,200	31,700,200

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Treasury Management Update

Quarterly report
30th June 2022

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

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Treasury Management Update

Quarter Ended 30th June 2022

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

1. Economics update

- The second quarter of 2022 saw:
 - GDP fall by 0.1% m/m in March and by 0.3% m/m in April;
 - An easing rather than a collapse in the composite Purchasing Managers Index (PMI);
 - A further rise in Consumer Price Index (CPI) inflation to a new 40-year high of 9.1% in May;
 - The first signs that the weakening in economic activity is filtering into a slightly looser labour market;
 - Bank Rate rise to 1.25%, taking it to its highest level since the Global Financial Crisis;
 - Gilt yields caught up in the global surge in bond yields triggered by May's strong rise in US inflation;
 - Rising global bond yields and concerns over growth drive a global sell-off in equity markets.
- Following the 0.1% m/m fall in GDP in March and the 0.3% m/m contraction in April, the economy is now moving towards a recession (two quarters of falling output in a row). Indeed, GDP would need to rise by 0.4-0.5% m/m in both May and June to prevent the economy from contracting in Q2 as a whole. That said, without the joint wind down of the COVID-19 Test and Trace and vaccination programme, GDP would have risen by 0.2% m/m and 0.1% m/m in March and April respectively. That's hardly strong, but it suggests the underlying momentum is not quite as weak as the headline figures imply.
- There is not much evidence that higher inflation and higher interest rates have yet become a big drag on activity. Services output did fall by 0.3% m/m in April. But output in consumer-facing services, conversely, rose by a solid 2.3% m/m in April. And although the Office for National Statistics (ONS) said that some of the 1.0% m/m fall in manufacturing output was linked to the drag on activity from higher prices, it also said that some of the 0.4% m/m drop in construction output in April was a drop back after the boost in the wake of February's Storm Eunice.
- The fact that the composite PMI didn't fall in June also suggests that in Q2 (Apr – June) real GDP has softened rather than collapsed. The S&P Global/CIPS all-sector PMI for June was unchanged from its level of 53.1 in May, signalling tepid but positive growth. According to the Lloyd's barometer, business confidence in May also remained remarkably resilient.
- Despite the fall in the GfK composite measure of consumer confidence to a new record low of -41 in June, April's £1.4bn rise in consumer credit suggests households appear to have turned to credit to support their spending as the cost-of-living squeeze has intensified. Meanwhile, the household saving rate held steady at 6.8% in Q1 in line with its long-term average and we expect households to lower their saving rate further when the bigger falls in real incomes come in Q2 and Q3 to cushion the blow to spending.
- The Chancellor's latest fiscal support of £10.3bn (0.5% of GDP), which comprised £15.3bn of handouts to households, partly funded by a £5bn tax on the profits of oil and gas producers, will help support GDP in the second half of the year. And with the Prime Minister and the Chancellor desperately needing to boost their popularity, some tax cuts may be announced in the Autumn Budget.
- There has been early signs that the recent weakening in economic activity is filtering through into a slightly looser labour market. The unemployment rate edged up from 3.7% in the three months to March to 3.8%. The single-month data showed that employment fell by 254,000 in April and the unemployment rate rose from 3.5% to 4.2%. And the upward march in the number of job vacancies slowed, with the three-month average only rising from 1.296m in April to 1.300m in May. A seasonal adjustment of the single-month data implies that vacancies fell in May for the first time since COVID-19 was rife in December.

- At the same time, a 1.8% m/m fall back in average earnings in April meant that the 3myy rate of earnings eased from 7.0% in March to 6.8% in April. And a lot of the 0.5% m/m rise in earnings excluding bonuses was probably due to the 6.6% rise in the National Living Wage on 1st April. The 3myy rate of earnings excluding bonuses stayed at 4.2%.
- That said, conditions in the labour market remain exceptionally tight. The unemployment rate is still close to its recent 47-year low, and there is the same number of unemployed people as job vacancies and at 6.8% in April, the 3myy rate of average earnings is at a 10-year high (although it is still falling in real terms) and is well above the 3.0-3.5% that is broadly consistent with the 2.0% inflation target (assuming that productivity growth is 1.0-1.5%).
- CPI inflation rose from 9.0% in April to a new 40-year high of 9.1% in May and it is not yet close to its peak. The increase in CPI inflation in May was mainly due to a further leap in food price inflation from 6.7% to a 13-year high of 8.5%. With the influence of increases in agricultural commodity prices yet to fully feed into prices on the supermarket shelves, we think that food price inflation will rise above 10% in September. And with two-thirds of the observation period for the Ofgem price cap having now passed, something like a 40% rise in utility prices is pretty much baked in the cake for October. The further rise in core producer price inflation, from 13.9% to 14.8%, suggests that core goods CPI inflation will probably rise to 14% before long. We think that will take CPI inflation to a peak of around 10.5% in October.
- The rise in services CPI inflation from 4.7% in April to 4.9% in May suggests that domestic price pressures are still strengthening.
- There now seems to be an even greater likelihood that second-round effects, whereby high inflation feeds back into higher price and wage expectations, keep inflation higher for longer. For some time, the Monetary Policy Committee (MPC) has placed a lot of weight on the results of the Bank of England's monthly Decision Maker Panel which asks businesses how they expect to change their prices and wages over the next year. May's survey revealed that businesses still expect to raise their selling prices by 6.0% and their wages by 4.8% over the next year. Meanwhile, XperthHR said that pay settlements across the economy stayed at a 30-year high of 4.0% in May. The government appears to be contemplating raising public sector pay by up to 5%. And the 7.1% pay rise granted to some railway workers sets a high bar for the negotiations that led to train strikes across large parts of the country in mid-June.
- The MPC has now increased interest rates five times in as many meetings and raised rates to their highest level since the Global Financial Crisis. Even so, coming after the Fed raised rates by 75 basis points (bps) in June and a handful of other central banks have recently raised rates by 50bps, the Bank of England's action is relatively dovish. The MPC's decision not to follow the Fed and raise rates by more makes some sense. The UK's status as a larger importer of commodities, which have jumped in price, means that households in the UK are now facing a much larger squeeze on their real incomes.
- But the MPC's new guidance is that if there are signs of "more persistent inflationary pressures" it will, "if necessary act forcefully in response". We expect the MPC to continue to raise rates in steps of 25bps rather than 50bps. We think the MPC will raise rates from 1.25% now to a peak of 2.75% next year. That's higher than the peak of 2.00% forecast by economists, but lower than the peak priced into the financial markets.
- Gilt yields have been caught up in the global surge in bond yields triggered by the surprisingly strong rise in CPI inflation in the US in May. The rises in two-year gilt yields (to a peak of 2.37% on 21st June) and 10-year yields (to a peak of 2.62%) took them to their highest level since 2008 and 2014 respectively. And in response to signs that central banks (particularly the US Fed) are going to raise interest rates faster to get on top of inflation, we now think that 10-year gilt yields will reach a peak of 2.70% (up from 2.39% currently) this year and into 2023.
- While the S&P 500 is 8.4% below its level a month ago, the FTSE 100 is 5.7% below it. Part of the sell-off has been driven by the rapid rise in global bond yields and the resulting downward pressure on equity valuations as well as concerns over economic growth.
- Finally, the pound has already weakened from \$1.37 and €1.21 earlier this year to \$1.21 and €1.16. A lot of these moves have been driven by concerns over the outlook for the global economy and the resulting poor performance of risky assets, which has increased the demand for the dollar relative to sterling. If interest rates rise faster and further in the US than in the UK, rate differentials and a worsening in risk appetite will push the pound even lower, from \$1.21 now to \$1.18 by the end of 2022. We don't expect the pound to fall by as much against the euro (from €1.16 to €1.14 next year). But once global inflation and global interest rates peak, the pound will probably benefit from the return of risk appetite. It may rise to \$1.25 by the end of 2023 and to \$1.30 by the end of 2024.

MPC meetings 5th May and 16th June 2022

- After the Bank of England became the first major western central bank to put interest rates up in this upswing in December, it has quickly followed up its first 0.15% rise by a further four 0.25% rises to 1.25%, in what is very likely to be a series of increases repeated throughout the rest of 2022 and into 2023.
- In May, the MPC voted 6-3 vote in favour of a 0.25% increase, but not only was this the first time in its 25-year history that the MPC had raised rates at four meetings in a row but also three members (Haskel, Mann and Saunders) wanted a 0.5% hike (up from none in March). However, GDP growth was forecast to drop to -0.25% in 2023 (+1.25% previously) and only +0.25% in 2024 (+1.00% previously). Anyone for a recession?
- Nonetheless, over Q2, it is clear central banks in the developed economies have placed the dampening down of inflation pressures front and centre of their primary objectives, even if it comes at the cost of sluggish growth or, indeed, recession (mild ideally but it is very difficult to micro-manage economic performance). The Monetary Policy Committee (MPC) is in step with this approach although, arguably, the UK economy is dragging its feet to a greater extent than that seen in the US.
- What are the key factors for consideration? First, the CPI measure of inflation is already at 9.1%, and the Bank of England anticipates it will peak near to 11% just before Christmas. With the cost-of-living squeeze in full swing by that juncture, and unemployment likely to be ticking upwards, we judge that the Bank will pause following its March 2023 meeting and judge it has done enough so long as inflation starts to fall, albeit at a slow pace. To that extent, we can envisage the MPC waiting a full year before loosening the reins and starting to cut Bank Rate in spring 2024. However, given the number of geopolitical factors that could push this forecast off track, we would caution against taking a strong view on how interest rate movements evolve and instead focus on optimising balance sheet management and the risk management of investment and debt portfolios.
- Regarding gilt yields, all developed economies have seen a considerable uplift in government bond yields across the whole curve since the start of 2022 and, in many ways, gilts have simply played catch-up of late. To that end, we have revised our PWLB forecasts upward and you will even see we have a 3.7% PWLB rate projected for the 25-year part of the curve in both 2022 and 2023. However, as headline inflation falls back, we project a slow reduction in gilt yields as investors acknowledge that price pressures are gradually coming under control.
- At the 16th June MPC meeting, part of the reason for the Committee only seeing a 0.25% hike as necessary is the prevailing weak economic data. The vote was again 6-3 (the same as in May) but the words were more hawkish with the Bank strengthening its forward guidance. It deleted the previous phrase that “some degree of further tightening...may still be appropriate” and replaced it with “the scale, pace and timing of any further increases in Bank Rate will reflect the Committee’s assessment of the economic outlook and inflationary pressures” and that “the Committee will be particularly alert to indications of more persistent inflationary pressures, and will, if necessary, act forcefully in response.”
- Whereas in May two members objected to the guidance that rates will rise further, it appears that all members are behind this new, stronger guidance. However, the growing evidence that firms’ price and wage expectations have become dislodged from the 2.0% target suggest that the Bank is between a rock and a hard place in navigating the appropriate monetary policy response. As always, the economic data will be key to anticipating whether our assumptions remain sound.

2. Interest rate forecasts

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

The latest forecast on 21st June is compared below to the previous forecast (10th May). A comparison of these forecasts shows that PWLB rates have increased generally and show a speed up in the rate of increase in Bank Rate as inflation is now posing a greater risk. The increase in PWLB rates reflects a broad sell-off in sovereign bonds internationally as inflation concerns abound. To that end, the MPC has tightened short-term interest rates with a view to trying to slow the economy sufficiently to keep the secondary effects of inflation – as measured by wage rises – under control, but without pushing the economy into recession.

Our current and previous PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1st November 2012.

Link Group Interest Rate View 21.06.22												
	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25
BANK RATE	1.75	2.25	2.75	2.75	2.75	2.75	2.50	2.50	2.25	2.25	2.25	2.25
3 month ave earnings	2.00	2.50	2.80	2.80	2.80	2.80	2.60	2.50	2.30	2.30	2.20	2.20
6 month ave earnings	2.50	2.80	3.00	3.00	2.90	2.90	2.80	2.70	2.60	2.50	2.40	2.30
12 month ave earnings	3.10	3.20	3.20	3.20	3.00	2.90	2.80	2.60	2.50	2.40	2.40	2.40
5 yr PWLB	3.20	3.30	3.30	3.30	3.30	3.20	3.10	3.00	3.00	3.00	2.90	2.90
10 yr PWLB	3.40	3.50	3.50	3.50	3.50	3.40	3.30	3.20	3.20	3.20	3.10	3.10
25 yr PWLB	3.70	3.70	3.70	3.70	3.70	3.70	3.60	3.50	3.50	3.40	3.40	3.30
50 yr PWLB	3.40	3.40	3.50	3.50	3.40	3.40	3.30	3.20	3.20	3.10	3.10	3.00

Link Group Interest Rate View 10.5.22													
	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25
BANK RATE	1.25	1.50	1.75	2.00	2.00	2.00	2.00	2.00	1.75	1.75	1.75	1.75	1.75
3 month ave earnings	1.20	1.50	1.70	2.00	2.00	2.00	2.00	2.00	1.70	1.70	1.70	1.70	1.70
6 month ave earnings	1.60	1.90	2.10	2.20	2.20	2.20	2.20	2.10	2.00	1.90	1.90	1.90	1.90
12 month ave earnings	2.00	2.20	2.30	2.40	2.40	2.30	2.30	2.20	2.20	2.10	2.10	2.10	2.10
5 yr PWLB	2.50	2.50	2.60	2.60	2.60	2.60	2.60	2.60	2.50	2.50	2.50	2.50	2.50
10 yr PWLB	2.80	2.80	2.90	2.90	2.90	2.90	2.90	2.90	2.80	2.80	2.80	2.80	2.80
25 yr PWLB	3.00	3.10	3.10	3.20	3.20	3.20	3.10	3.10	3.00	3.00	3.00	3.00	3.00
50 yr PWLB	2.70	2.80	2.80	2.90	2.90	2.90	2.80	2.80	2.70	2.70	2.70	2.70	2.70

- LIBOR and LIBID rates ceased at the end of 2021. In a continuation of our previous forecasts, our money market yield forecasts are based on expected average earnings by local authorities for 3 to 12 months.
- Our forecasts for average earnings are averages i.e., rates offered by individual banks may differ significantly from these averages, reflecting their different needs for borrowing short-term cash at any one point in time.

A SUMMARY OVERVIEW OF THE FUTURE PATH OF BANK RATE

- Our central forecast for interest rates was last updated on 21st June and reflected a view that the MPC will be keen to further demonstrate its anti-inflation credentials by delivering a 0.25% increase in Bank Rate in August, September, November, December, February and March i.e., the next six MPC meetings.
- The CPI measure of inflation is now forecast to rise to close to 11% in Q4 2022 and the MPC will be keen to stifle the prospect of average earnings data (6.8% y/y currently including bonuses) providing further upside risk to inflationary factors that are primarily being driven by supply-side shortages.
- When Bank Rate reached 1% in May, the MPC indicated (no earlier than August) that it will also consider the extent to which it implements Quantitative Tightening (QT), primarily the selling of its gilt holdings. However, they are likely to take any such decision cautiously as they are already not refinancing maturing debt.
- Notwithstanding the MPC's clear desire to increase Bank Rate throughout 2022, negative real earnings, the 54% hike in the Ofgem energy price cap from April (to be followed by a potential 40%+ further increase from October), at the same time as employees (and employers) have incurred a 1.25% Health & Social Care Levy, growing commodity and food inflation plus council tax rises - all these factors will hit households' finances hard. However, lower income families will be hit disproportionately hard despite some limited assistance from the Chancellor to postpone the full impact of rising energy costs.
- Given the above outlook, it poses a question as to whether the MPC may shift into protecting economic growth if it flatlines or contracts through 2022. Accordingly, we remain tentative about whether the MPC will increase Bank Rate as far as the market is currently pricing in (3.25% in April 2023).
- In the upcoming months, our forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies, but the on-going conflict between Russia and Ukraine, including the manner in which the West and NATO respond through sanctions and/or military intervention. Currently, oil, gas, wheat and other mainstream commodities have risen significantly in price and central banks will have to balance whether they prioritise economic growth or try to counter supply-side shock induced inflation.
- On the positive side, consumers are estimated to be sitting on over £160bn of excess savings left over from the pandemic so that will cushion some of the impact of the above increases. However, most of those are held by more affluent people whereas lower income families already spend nearly all their income before these increases hit and have few financial reserves.

PWLB RATES

- The yield curve has steepened considerably through the quarter and PWLB 5 to 50 years Certainty Rates are, generally, in the range of 2.75% to 3.75%.
- We view the markets as having built in, already, nearly all the effects on gilt yields of the likely increases in Bank Rate and the poor inflation outlook (although we thought that in May and markets went much further than expected in respect of the gilt market sell-off).
- It is difficult to say currently what effect the Bank of England starting to sell gilts will have on gilt yields now that Bank Rate has gone to above 1%. Nothing will be decided before August, however, but the Bank is likely to act cautiously as it has already started on not refinancing maturing debt. A pure roll-off of the peak £875bn gilt portfolio by not refinancing bonds as they mature, would see holdings fall to about £415bn by 2031, which would be about equal to the Bank's pre-pandemic holding.
- Increases in US treasury yields over the next few months could add further upside pressure on gilt yields as they have done since the turn of the year.

The balance of risks to the UK economy: -

- The overall balance of risks to economic growth in the UK is to the downside.

Downside risks to current forecasts for UK gilt yields and PWLB rates include: -

- **Labour and supply shortages** prove more enduring and disruptive and depress economic activity (accepting that in the near-term this is also an upside risk to inflation and, thus, rising gilt yields).
- **The Bank of England** acts too quickly, or too far, over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- **UK / EU trade arrangements** – if there was a major impact on trade flows and financial services due to complications or lack of co-operation in sorting out significant remaining issues.
- **Geopolitical risks**, for example in Ukraine/Russia, Iran, China, North Korea and Middle Eastern countries, which could lead to increasing safe-haven flows.

Upside risks to current forecasts for UK gilt yields and PWLB rates: -

- The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly within the UK economy, which then necessitates an even more rapid series of increases in Bank Rate faster than we currently expect.
- **The Government** acts too quickly to cut taxes and/or increases expenditure in the light of the cost-of-living squeeze.
- **The pound weakens on the back of UK/EU trade friction** resulting in investors pricing in a risk premium for holding UK sovereign debt.
- Longer term **US treasury yields** continue to rise strongly and pull gilt yields up higher than forecast.

3. Annual Investment Strategy

The Treasury Management Strategy Statement (TMSS) for 2022/23, which includes the Annual Investment Strategy, was approved by the Council on 11th February 2022. In accordance with the CIPFA Treasury Management Code of Practice, it sets out the Council's investment priorities as being:

- Security of capital
- Liquidity
- Yield

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

As shown by the interest rate forecasts in section 2, rates have improved dramatically during Q1 and Q2 2022 and are expected to improve further as Bank Rate continues to increase over the next year or so.

Creditworthiness.

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

Investment counterparty criteria

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

CDS prices

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

Investment balances

The average level of funds available for investment purposes during the quarter was **£58.2m**. These funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the capital programme. The Council holds **£20m** core cash balances for investment purposes (i.e. funds available for more than one year).

	Amount	Average
	£	Interest Rate %
Managed By NHDC		
Banks	13,000,000	1.14
Building Societies	5,000,000	0.72
Local Authorities	8,000,000	0.28
Government	24,500,000	1.09
NHDC Total	50,500,000	0.81
Managed by Tradition		
Building Societies	1,500,000	0.25
Local Authorities	2,000,000	0.95

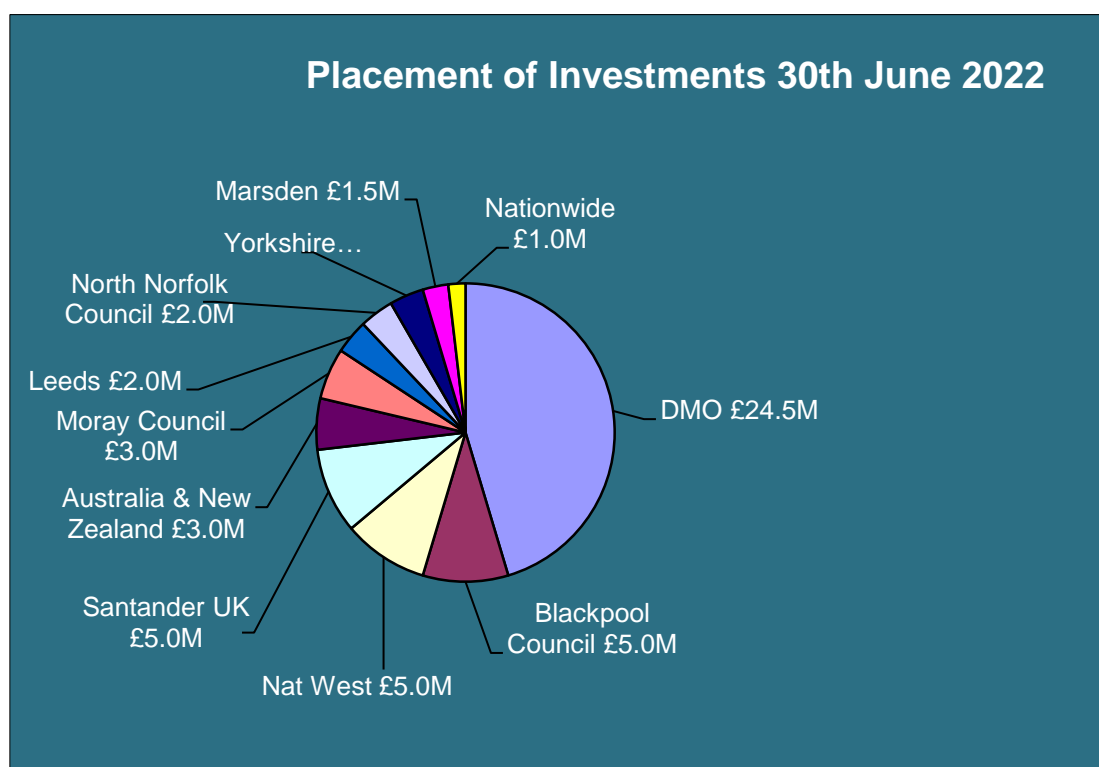
Tradition Total	3,500,000	0.54
TOTAL	54,000,000	0.77

In percentage terms, this equates to:

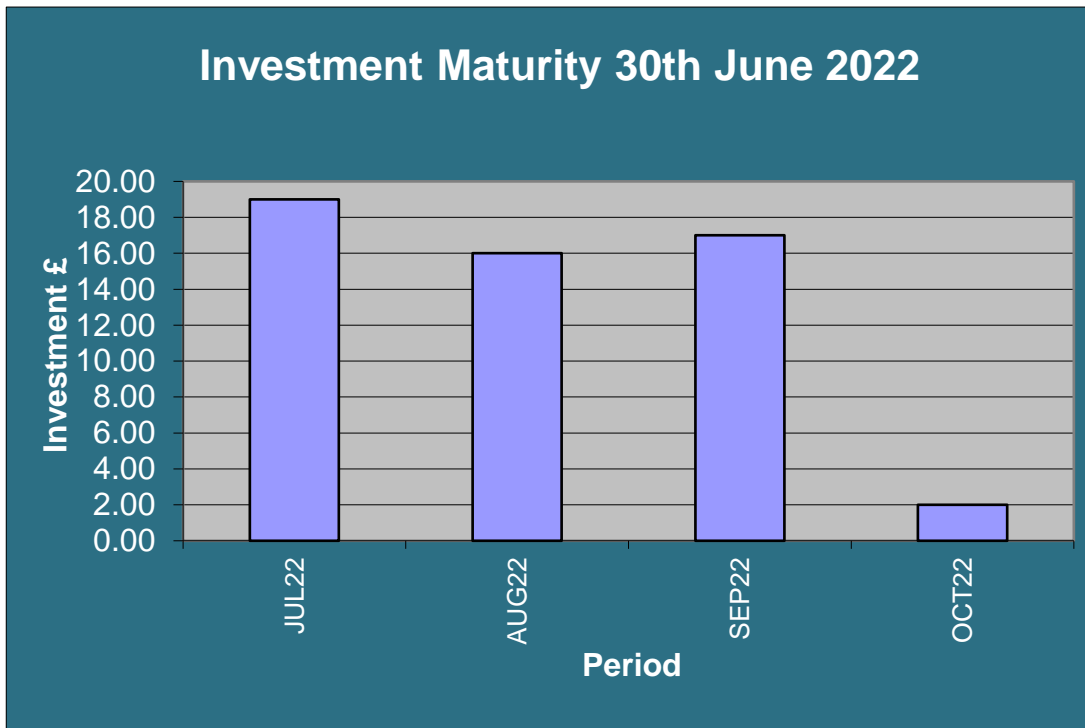
	Percentage
Government	45
Banks	24
Local Authorities	19
Building Societies	12

The approved 22/23 strategy is that no more than 60% of investments should be placed with Building Societies and Property Funds with a maximum value of £23M. The value at 30 June was £6.5M.

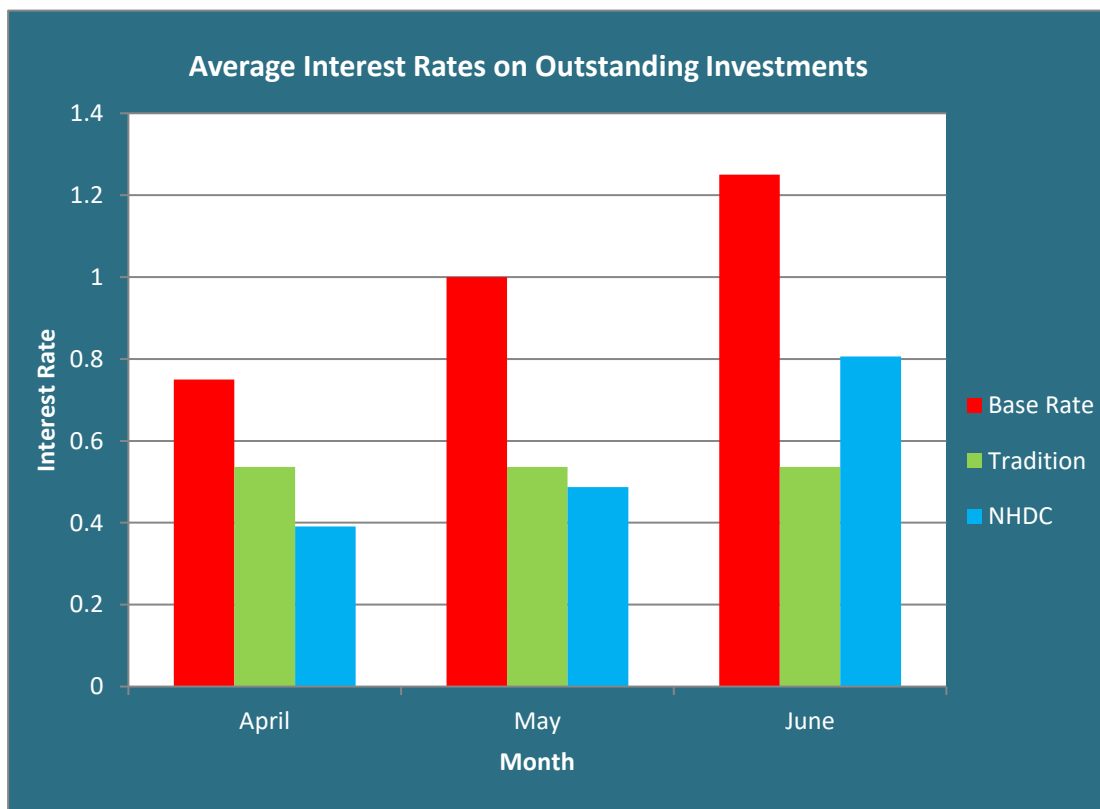
The pie chart below shows the spread of investment balances as at 30 June 2022. This is a snapshot in time that demonstrates the diversification of investments.



The chart below shows the Council's investment maturity profile.



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



The higher rates achieved by the Council in June reflect that the Tradition investment are longer-term investments whereas the shorter term inhouse investments can be renewed at higher rates as the Bank Rate rises. The Council only undertakes new investments through Tradition where the rate achieved (after fees) are greater than what the Council could achieve for a similar investment. There are two Tradition deals totalling £3.5M.

Approved limits

Officers can confirm that the approved limits within the Annual Investment Strategy were not breached during the quarter ended 30th June 2022.

4. Borrowing

No borrowing was undertaken during the quarter ended 30th June 2022.

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

Based on 1st quarter estimates for capital expenditure, the Council's capital financing requirement (CFR) for 2022/23 is expected to be -£2.65M (-£4.61M at the end of 21/22). The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing) or from internal balances (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions and future forecasts.

Loans Outstanding at 30 June 2022:

	Amount	Average Interest Rate
	£	%
Public Works Loans Board	£387k	10.18

Estimated outstanding debt:

Year	Forecast Borrowing £m	Forecast other long-term liabilities £m	Less: Internal Borrowing £m	Forecast Total External Debt £m	Operational Boundary £m	Authorised Limit £m
31 st March 2023 (Forecast)	0.367	1.183	0	1.550	2.1	7.1
31 st March 2024 (Forecast)	0.347	0.604	0	0.951	1.6	6.6
31 st March 2025 (Forecast)	0.567	0.413	0.242	0.738	1.5	6.5
31 st March 2026 (Forecast)	6.244	0.336	5.939	0.641	1.5	6.5
31 st March 2026 (Forecast)	7.333	0.259	7.043	0.549	1.4	6.4

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

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

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

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

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

Year	Estimated cost of borrowing £m	Forecast net revenue budget £m	Estimated cost of borrowing as a % of net revenue budget
2022/23	0.039	18.067	0.216
2023/24	0.037	16.650	0.222
2024/25	0.047	15.860	0.296
2025/26	0.302	15.619	1.934
2026/27	0.364	15.529	2.344

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

Year	Estimated cost of borrowing £m	Less: Forecast of interest earned £m	Net Financing Costs £m	Forecast net revenue budget £m	Estimated cost of borrowing as a % of net revenue budget
2022/23	0.039	0.708	-0.669	18.067	-3.703
2023/24	0.037	0.700	-0.663	16.650	-3.982
2024/25	0.047	0.637	-0.590	15.860	-3.722
2025/26	0.302	0.510	-0.208	15.619	-1.334
2025/26	0.364	0.517	-0.153	15.529	-0.988

5. Debt rescheduling

No debt rescheduling was undertaken during the quarter.

6. Compliance with Treasury and Prudential Limits

The prudential and treasury Indicators are shown in Appendix 1.

It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. During the year to date as at 30th June 2022, the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement for 2022/23. The Director of Finance reports that no difficulties are envisaged for the current or future years in complying with these indicators.

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

APPENDIX 1: Prudential and Treasury Indicators for 2022-23 as at 30th June 2022

Treasury Indicators	2022/23 Budget £'000	30.06.22 Actual £'000
Authorised limit for external debt	7,100	387
Operational boundary for external debt	2,000	387
Gross external debt	387	387
Investments	47,400	54,000
Net borrowing	47,013	53,613

Maturity structure of fixed rate borrowing - upper and lower limits		
Under 12 months	19	19
12 months to 2 years	21	21
2 years to 5 years	155	57
5 years to 10 years	1,271	40

Upper limit for principal sums invested over 365 days	18,000 Max	0
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Prudential Indicators	2022/23 Budget £'000	30.06.22 Actual £'000
Capital expenditure	9,347	529
Capital Financing Requirement (CFR)	-3,789	-4,532
Annual change in CFR	819	76
In year borrowing requirement	0	0
Ratio of financing costs to net revenue stream	-0.442	-4.25

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CABINET 13 September 2022
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PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: FIRST QUARTER REVENUE BUDGET MONITORING 2022/23

REPORT OF: THE SERVICE DIRECTOR - RESOURCES

EXECUTIVE MEMBER: EXECUTIVE MEMBER FOR FINANCE AND IT

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

1. EXECUTIVE SUMMARY

- 1.1. The purpose of this report is to inform Cabinet of the summary position on revenue income and expenditure forecasts for the financial year 2022/23, as at the end of the first quarter. The forecast variance is a £559k decrease in the net working budget of £18.615million, with an ongoing impact in future years of a £414k increase. Within these summary totals there are a number of budget areas with more significant variances, which are detailed and explained in table 3.

2. RECOMMENDATIONS

- 2.1. That Cabinet note this report.
- 2.2. That Cabinet approves the changes to the 2022/23 General Fund budget, as identified in table 3 and paragraph 8.2, a £559k decrease in net expenditure.
- 2.3. That Cabinet notes the changes to the 2023/24 General Fund budget, as identified in table 3 and paragraph 8.2, a total £414k increase in net expenditure. These will be incorporated in the draft revenue budget for 2023/24.
- 2.4. That Cabinet delegates to the Service Director: Resources (in consultation with the Executive Member for Finance and IT) authority to enter in to a Business Rate Pooling arrangement (if available) if it is estimated that it will be in the financial interests of the Council.

3. REASONS FOR RECOMMENDATIONS

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

4. ALTERNATIVE OPTIONS CONSIDERED

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

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

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

6. FORWARD PLAN

- 6.1. The report contains a recommendation on a key decision that was first notified to the public in the Forward Plan on the 9th May 2022.

7. BACKGROUND

- 7.1. Council approved the revenue budget for 2022/23 of £18.198million in February 2022. As at the end of Quarter One, the working budget has increased to £18.615million. Table 1 below details the approved changes to this budget to get to the current working budget:

Table 1 - Current Working Budget

	£k
Original Revenue Budget for 2022/23 approved by Full Council	18,198
Quarter 3 2021/22 Revenue Budget Monitoring report – 2022/23 budget changes approved by Cabinet (March 2022)	238
2021/22 Revenue Budget Outturn Report – 2022/23 budget changes approved by Cabinet (June 2022)	179
Current Working Budget	18,615

- 7.2. The Council is managed under Service Directorates. Table 2 below confirms the current net direct resource allocation of each Service Directorate and how this has changed from the original budget allocations approved by Council in February 2022.

Table 2 – Service Directorate Budget Allocations

	Original Budget 2022/23	Changes approved at Q3 2021/22	Changes approved at Outturn 2021/22	Other Budget Transfers	Current Net Direct Working Budget
Service Directorate	£k	£k	£k	£k	£k
Managing Director	3,422	104	135	0	3,661
Customers	3,866	10	52	0	3,928
Enterprise	(148)	(4)	0	0	(152)
Legal & Community	2,281	50	(9)	0	2,322
Place	4,818	(15)	(51)	0	4,752
Regulatory Services	1,407	43	52	0	1,502
Resources	2,552	50	0	0	2,602
TOTAL	18,198	238	179	0	18,615

- 7.3. Subsequent to the presentation of the Revenue Outturn 2021/22 report to Cabinet in June, an accounting adjustment to the income recorded from parking penalty charge notices was identified. This was identified prior to the publication of the Council's Draft Statement of Accounts for 2021/22 and the end of July, so was included in those accounts.

The outcome was a revised General Fund balance at the end of the 2021/22 financial year of £10.607m, an increase of £36k from the closing balance of £10.571m published in the Outturn Report. In addition, the net contribution from Earmarked Reserves to the General Fund balance was reduced by £3.3million from the £8.123m, as detailed in the Outturn Report, to £4.823m This followed the finalisation of the Collection Fund accounting for 2021/22. This meant that the Council held a total of £15.935m in earmarked reserves at the end of the last financial year. The Council's External Auditors have communicated that they plan to commence the 2021/22 Final Accounts audit in November. Further changes to the General Fund balance may therefore arise as a result of the audit.

8. RELEVANT CONSIDERATIONS

- 8.1. Service Managers are responsible for monitoring their expenditure and income against their working budget. Table 3 below highlights those areas where there are forecast to be differences. An explanation is provided for each of the most significant variances, which are generally more than £25k. The final columns detail if there is expected to be an impact on next year's (2023/24) budget:

Table 3 - Summary of significant variances

Budget Area	Working Budget £k	Forecast Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2023/24 £k
Treasury Investments Interest Income	(119)	(708)	(589)	Increase in estimated interest income receivable is primarily due to the changes in 2022 to the Bank of England base rate and the consequent increase in the interest returns available on the investment of surplus cash balances. The income budget estimate, prepared in January, was based on the bank rate of 0.25% at the start of the year, but this has subsequently increased to 1.75%, with the most recent 0.5% increase agreed at the start of August. In addition, reprofiling of capital spend in the second half of the last financial year has increased the cash balances available for investment. The estimated ongoing impact will be updated when the Investment Strategy for 2023 – 2033 is finalised in January 2023.	0	(500)
Covid-19 Impacts central expenditure provision	1,740	110	(1,630)	Release of provision to mitigate the relevant adverse variances forecast at Quarter One, as highlighted below in this table, as well as the release of those provision amounts not required for commingled recycled materials processing (£290k) and Trade Waste (£110k) based on the positive forecasts also reported below. The remaining amount relates to income from the Hitchin Town Hall community facility. While income in Quarter One was in line with the budget expectation, it remains to be seen whether Covid-19 will continue to impact demand for mass indoor events in the winter.	0	0

Budget Area	Working Budget £k	Forecast Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2023/24 £k
Staffing Cost Budgets - Staff Pay Award 2022/23	287	840	+553	The estimated additional cost of the pay award for 2022/23 is based on the final employer offer of an increase of £1,925 to every pay point. The assumption in the original budget for 2022/23 was a pay offer of 2%. While the Trade Unions are currently considering their response to this offer, it is highly unlikely that any further changes to the proposed award will reduce the cost to the Council.	0	553
Temporary Accommodation Net Cost	50	172	+122	The forecast outturn indicates the cost of nightly paid placements for homeless households, for which £39k of Rough Sleeping Initiative grant income has been allocated. At the end of Q1 there were 98 households in temporary accommodation (8 in hotels), which represented a slight reduction on the 104 households in temporary accommodation (15 in hotels) at the end of the last financial year. As currently all the homeless households qualify for housing benefit, the additional cost to the Council relates to the estimated shortfall in Housing Benefit Subsidy, with housing benefit payments in respect of temporary accommodation not eligible for full reimbursement through the subsidy. Homeless costs were identified as an ongoing impact of Covid-19 in 2022/23. The forecast variance is mitigated by the release of the corresponding amount from the central Covid-19 impacts provision.	0	0
DLUHC Rough Sleeping Initiative Grant Income	0	(39)	(39)		0	0
Total Temporary Accommodation	50	133	+83		0	0
Enterprise Directorate Staffing Costs	1,024	991	(33)	Forecast underspend relates to a Business Partner post held vacant while staffing arrangements are reviewed in light of the expansion of the Directorate to include the Economic Development team and the addition of Tourism to the Directorate portfolio.	0	0

Budget Area	Working Budget £k	Forecast Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2023/24 £k
Commercial Rents Income	(1,340)	(1,492)	(152)	Forecast outturn follows the anticipated conclusion in this financial year of two rent reviews that have been ongoing for some time. Subject to these rent reviews concluding at the provisionally agreed annual rents, much of the additional income in 2022/23 will be the back-rent due. The annual uplift is expected to be £8,900 and £30,000 for the two sites respectively. The total variance is net of this year's target budget for additional income from rent reviews of £56k. There are similar targets for additional commercial rent income in future years. The excess ongoing income will be used to meet that target, so is not included in the 2023/24 estimated impact to avoid double-counting.	0	0
Leisure Centre Management Contract Fee Income	(857)	(429)	+428	<p>Activity data for the first quarter of the year indicates a continuing recovery at the Council's Leisure Centres. The forecast variance is based on the Council receiving 50% of the income anticipated under the contract, which compares to 5% achieved in 2021/22. Actual income in this year will be dependent on the speed and strength of the ongoing recovery.</p> <p>A shortfall in Leisure Centre management fee income was identified as an ongoing impact of Covid-19 in 2022/23. The forecast variance is mitigated by the release of a corresponding amount from the central Covid-19 impacts provision.</p>	0	0
Domestic Waste & Recycling and Street Cleansing Contract Expenditure	5,605	5,953	+348	Overspend variance follows the calculation of the contract inflation for 2022/23. The budget for 22/23 assumed a contract inflation of 3.7%, based on the respective contractual indices at that time. Due to subsequent increases in the fuel price index and the Consumer Price Index, this, has resulted in an increase to contract prices of 9.9%.	0	348

Budget Area	Working Budget £k	Forecast Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2023/24 £k
Commercial Waste and Recycling Services				It was reported at Q1 last year that there had been a loss of customers and some rationalisation of the services used, such as reduced frequency of collections, reduction in the number of bins and / or bin sizes, due to the impacts of Covid-19. There has however since been some recovery in commercial waste activity. The estimated income impact is partially offset by a projected increase in tipping charges, primarily due to the increase of around 11% in the disposal price per tonne, and higher contract costs from the higher level of activity.		
Income from Customers	(1,113)	(1,153)	(40)		0	(40)
Tipping Charges	322	345	+23		0	23
Contract Expenditure	96	100	+4		0	4
Net Total	(695)	(708)	(13)		0	(13)
Commingled Recycling – Haulage and Processing Costs	381	40	(341)	Amounts charged by the contractor for haulage and processing are net of income generated from the sale of the recycled materials collected. Material sale prices fluctuate significantly with global markets. The forecast variance reflects both the higher material prices achieved during Quarter 1, to the extent a small surplus income was generated for the quarter, and against this the current market intelligence suggesting prices received for cardboard are now falling rapidly as a result of a slow-down in consumer spending and consequently packaging. As the recycled materials market is very volatile, it is not assumed that this underspend will continue in future years.	0	0

Budget Area	Working Budget £k	Forecast Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2023/24 £k
Waste Awareness and Minimisation – AFM Income from Herts County Council	(421)	(125)	+296	<p>The AFM income value is impacted by recycling performance and residual waste disposal across the County. Greater levels of residual waste generated across Hertfordshire, as residents' routines and habits changed with home-working and more online shopping since the onset of the Covid-19 pandemic, have increased the overall costs of disposal incurred by HCC and therefore reduced the total AFM amount shared with collection authorities. In addition, while North Herts has maintained a similar level of recycling performance for a number of years, other Councils have made more recent service changes to improve their recycling performance, which has contributed to reducing North Herts share of the total allocation made available by HCC.</p> <p>Reduction in AFM income was identified as an ongoing impact of Covid-19 in 2022/23. The forecast variance is offset by the release of the amount included in the central Covid-19 impacts provision, which assumed zero income in this year.</p>	0	0
Car Parking Fees Income	(1,999)	(1,801)	+198	<p>Forecast outturn for 22/23 is based on the experience of Quarter 1, with income receipts at approximately 90% of the level observed prior to the Covid-19 pandemic. The apparent plateau in the recovery may be indicative of one or both of; a long-term shift to working from home; and the increase in the cost-of-living deterring journeys into town centres for leisure activities and shopping.</p> <p>A shortfall in pay-as-you-use parking income was identified as an ongoing impact of Covid-19 in 2022/23. The forecast variance is mitigated by the release of the £200k amount included in the central Covid-19 impacts provision.</p>	0	0

Budget Area	Working Budget £k	Forecast Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2023/24 £k
Car Park Season Ticket Income	(320)	(135)	+185	Season ticket sales in the first quarter were similar to that achieved in the first quarter of 21/22 and less than half that generated prior to the Covid-19 pandemic. This reduction is attributed to greater levels of home working, initially adopted in response to the pandemic, with a number of the bigger local businesses operating in North Herts ceasing season ticket purchases or significantly reducing the number purchased. A shortfall in car park season tickets income was identified as an ongoing impact of Covid-19 in 2022/23. The forecast variance is mitigated by the release of a corresponding amount from the central Covid-19 impacts provision.	0	0
North Herts Local Plan 2011-31 Examination				The examination of the new Local Plan has now been ongoing for over five years (compared to a national average of around two years), reflecting the complexity of the issues and the volume of submissions the Inspector has dealt with. The forecast spend outturn is based on quotes received for the work involved and is therefore subject to change as actual hours worked by legal professionals and consultants could vary from the estimates. The contribution from the earmarked reserve represents the transfer to the General Fund of the total balance held in reserve at the start of the year.		
Expenditure	0	56	+56		0	0
Contribution from Local Plan Earmarked Reserve	0	(18)	(18)		0	0
Total	0	38	+38		0	0
Emergency Planning – Contribution to Herts County Council	27	2	(25)	The original budget included provision for a full time Resilience Officer post, as per the staffing restructure proposal approved by the Council's Leadership Team. Following the appointment to this role, the Council no longer requires the Emergency Planning Support that to date has been contracted to Herts County Council. The overall net impact is a small saving of just over £1,000.	0	(27)
Expenditure on Electricity and Gas	291	316	+25	The revised forecast for the year reflects the energy price increases due to the global rise in wholesale electricity and gas prices. The impact has been lessened due to our supplier hedging their position in the autumn of 2022 meaning the procured rates are significantly lower than current market rates. Our supplier is expecting prices to be fixed for the remainder of the year.	0	25
Total of explained variances	3,654	3,025	(629)		0	387
Other minor balances	14,961	15,031	+70		0	27
Overall Total	18,615	18,056	(559)		0	414






- 8.2. Cabinet are asked to approve the differences highlighted in the table above (a £523k decrease in spend), as an adjustment to the working budget (recommendation 2.2). Cabinet are asked to note the estimated impact on the 2023/24 budget, a £414k increase in budget, which will be incorporated in to the 2023/24 budget setting process (recommendation 2.3).
- 8.3. The original approved budget for 2022/23 (and therefore working budget) included efficiencies totalling £589k, which were agreed by Council in February 2021. Any under or over delivery of efficiencies will be picked up by any budget variances (table 3 above). However, there can be off-setting variances which mean that it is unclear whether the efficiency has been delivered. Where this is the case, this will be highlighted. The current forecast at the end of Quarter One is an overachievement of £589k. This relates to forecast interest income from investment of surplus cash balances being greater than identified in the efficiency proposal, which was based on the Investment Strategy 2022-2032, as highlighted and explained in table three above.
- 8.4. The working budget for 2022/23 includes budgets totalling £712k that were carried forward from the previous year. These are generally carried forward so that they can be spent for a particular purpose that had been due to happen in 2021/22 but was delayed into 2022/23. At Quarter One, it is forecast that all the budgets carried forward will be spent in this year.
- 8.5. Six corporate 'financial health' indicators have been identified in relation to key sources of income for the Council in 2022/23. Table 4 below shows the performance for the year. A comparison is made to the original budget to give the complete picture for the year. Each indicator is given a status of red, amber, or green. A green indicator means that they are forecast to match or exceed the budgeted level of income. An amber indicator means that there is a risk that they will not meet the budgeted level of income. A red indicator means that they will not meet the budgeted level of income.
- 8.6. At the end of Quarter One, three of the indicators are green, one indicator is amber, and two of the indicators are red. Explanations for the two red indicators are included in table 3 above. Whilst the individual budgets for the leisure management fee and car parking fees were not adjusted, there was an assumption that there was likely to be a shortfall in income in these areas, and forecasts at quarter one are in line with that forecast shortfall. The amber indicator for income from parking PCNs reflects that income recorded in the first quarter was approximately £25k lower than anticipated in the budget. A higher level of activity in the remainder of the year may mean that the budgeted expectation is ultimately met, but there is a risk that the budget will not be achieved.

Table 4 - Corporate financial health indicators

Indicator	Status	Original Budget £k	Actual to Date £k	Projected Outturn £k	Variance £k
Leisure Centres Management Fee	Red	(857)	0	(429)	428
Garden Waste Collection Service Subscriptions	Green	(1,139)	(671)	(1,184)	(45)
Commercial Refuse & Recycling Service Income	Green	(1,113)	(372)	(1,153)	(40)
Planning Application Fees (including fees for pre-application advice)	Green	(1,006)	(615)	(1,006)	0
Car Parking Fees	Red	(1,999)	(416)	(1,801)	198
Parking Penalty Charge Notices (PCNs)	Amber	(573)	(71)	(573)	0

- 8.7. Table 5 below indicates current activity levels, where these drive financial performance, and how these compare to the prior year to indicate the direction of current trends. As performance against the planning applications fee income budget is generally determined by the number of large applications resolved in the year (rather than the total number of applications received), and this distinction is not captured in the data available, this indicator is omitted from table 5. Regarding the comparative reduction in the number of PCNs issued, it should be noted that activity levels in 2021/22 were above those anticipated in the original budget estimate.

Table 5 - Corporate financial health indicators – activity drivers

Indicator	Activity Measure	Performance Q1 2022/23	Performance Q1 2021/22	Percentage Movement	Direction of Trend
Leisure Centres Management Fee	Number of Leisure Centre visits in quarter	312,679	171,823	+82.0%	
Garden Waste Collection Service	Number of bin subscriptions at end of quarter	30,392	31,585	-3.8%	
Commercial Refuse & Recycling Service	Number of customers at end of quarter	986	905	+8.9%	
Car Parking Fees	Car park tickets sold / average ticket price sold during quarter	269,341 / £1.61	242,714 / £1.74	+11.0% / -7.5%	
Parking Penalty Charge Notices	Number of PCNs issued during quarter	3,121	3,532	-11.6%	

FUNDING, RISK AND GENERAL FUND BALANCE

- 8.8. The Council's revenue budget is funded primarily from Council Tax and Retained Business Rates income. The Council was notified by Central Government in February 2022 of the amount of New Homes Bonus, Lower Tier Services Grant and Services Grant it could expect to receive in 2022/23 and planned accordingly.
- 8.9. Council Tax and Business Rates are accounted for in the Collection Fund rather than directly in our accounts, as we also collect them on behalf of other bodies. Each organisation has a share of the balance on the Collection Fund account. The Council must repay in this year its share of the Council Tax and Business Rates Collection Fund deficits for the prior year, as estimated in January 2022. As reported previously, this means a contribution from the General Fund of £2k to the Council Tax Collection Fund and £5.345m to the Business Rates Collection Fund. The final totals recorded at the end of the last financial year (excluding the third instalment of the 20/21 deficit spread to be repaid in 2023/24) was a deficit of £6k in respect of Council Tax and a business rates deficit of £5.575m. The difference between the January estimates and the final position will affect the calculation of the surplus / deficit for 2022/23 and hence funding available in 2023/24.
- 8.10. The Council is also subject to a business rates levy from Central Government as it collects more in business rates than the baseline need determined by Central Government. In 2022/23 the Council is a member of the Hertfordshire Business Rates Pool with five other Hertfordshire Local Authorities. The Pool was formed with the expectation that this should reduce the business rates levy amount otherwise payable at the end of the year. At the end of 2021/22, the Council accrued a contribution to the pool levy of £300k, which represented a 'pooling gain' (reduction compared to the levy otherwise payable if outside the pool) of £700k. There are however a range of potential

outcomes for the current year, which depend on the actual level of rates collected by both North Herts as well as the other collection authorities in the Pool. The contribution to the pool required for 2022/23 will therefore not be known until all the pool authorities have declared their business rates income amounts to government, via the NNDR3 return, following the end of this financial year. In any case, the Council's contribution to the pool will be funded from grant held in reserve and as such will have a net zero impact on the General Fund balance at the end of the year.

- 8.11. The Council receives compensation in the form of a grant from Central Government for business rate reliefs introduced, which goes into our funds rather than the Collection Fund. The Council has received a total grant allocation of £4.996m for reliefs in 2022/23, which includes an amount of £279k received as compensation for the Government's decision to freeze the business rates multiplier for 2022/23. The multiplier compensation is included in the funding total in table 7 below. The rest of the grant received will be held in reserve to fund the repayment of business rate collection fund deficits recorded. Some of the amount held in reserve will therefore be used to fund the £5.345m deficit repayment required in this year and a further £3m will be used to ensure the business rates income charged to the General Fund in 2022/23 matches the estimated position declared to Government in January 2022 via the NNDR1 return, as required by statute.
- 8.12. The Council may also be eligible to retain further section 31 grant funding relating to the impact of the Covid-19 Additional Relief Fund (CARF). The Council received a cash receipt of £2.6m from government in the last financial year to facilitate the scheme, the cost of which will be dependent on the level of applications received from local businesses. Reliefs awarded through the fund will result in a corresponding equivalent increase in the reported business rates collection fund deficit. While overall there is a net nil effect on the Council's financial position, the compensating grant will be charged in this financial year, with the corresponding additional deficit repaid next year.
- 8.13. The Council received an e-mail from the Department of Levelling Up, Housing and Communities on 18 August in relation to Business Rate pooling. This e-mail did not commit that Business Rate pooling would be available for 2023/24, but if Authorities might be interested in forming a Pool then they have to commit to what that pool would be (i.e. which Councils would be part of a pool) by 22 September 2022. At the time of writing this report there has not been the opportunity for any discussion with other Hertfordshire Councils on whether to form a pool or start work on what the optimal pool would be. The optimal pool would include Hertfordshire County Council, and usually four of five District/ Borough Councils. There has also not been any confirmation on whether a Business Rates reset would take place. If there was a reset then it would remove any previous gains from the system and make pooling much less lucrative. Given the deadline for responding and the uncertainty, recommendation 2.4 seeks delegated approval (to the Service Director: Resources in consultation with the Executive Member for Finance and IT) for the Council to be part of a pool if the option is available and it is estimated to be in the financial interests of the Council
- 8.14. The Council does not expect to receive non-ringfenced emergency grant funding from government in 2022/23 to help mitigate the ongoing financial impacts of the Covid-19 pandemic. As detailed in the 2022/23 Revenue Budget Report presented to Full Council in February, a central provision of £1.740m was included in the budget for 2022/23. As explained in table 3, £1.630m of the allocation has been released based on the forecasts detailed at Quarter one, with £110k of the provision in respect of Hitchin Town Hall income not yet allocated. As shown in table 6 below, forecast adverse variances reported at quarter one totalling £1.190m in 2022/23 have been mitigated by the central provision, with a further £440k of the budget provision forecast to be unused and therefore can be released to the General Fund.

Identified Ongoing Financial Impacts from Covid-19	Original Provision	Forecast variance at Q1	Provision applied at Q1	(Shortfall in original provision) / provision amount unused
	£k	£k	£k	£k
Leisure Centre management fee income	420	+428	428	(8)
Pay as you use parking income	200	+198	198	2
Homeless costs	80	+83	83	(3)
Car park season tickets	120	+185	185	(65)
AFM income	420	+296	296	124
Trade Waste income	100	(13)	0	100
Recyclable materials	290	(341)	0	290
TOTAL Reported at Q1	1,630	836	1,190	440

8.15. Table 7 below summarises the impact on the General Fund balance of the position at Quarter One detailed in this report.

Table 7 – General Fund impact

	Working Budget	Projected Outturn	Difference
	£k	£k	£k
Brought Forward balance (1st April 2022)	(10,607)	(10,607)	-
Net Expenditure	18,615	18,056	(559)
Funding (Council Tax, Business Rates, NHB, Lower Tier Services Grant, 2022/23 Services Grant)	(15,820)	(15,820)	0
Release of the balance held in the earmarked Special Reserve	(639)	(640)	(1)
Contribution to Collection Fund	5,345	5,345	0
Funding from Reserves (including Business Rate Relief Grant)	(5,888)	(5,888)	0
Carried Forward balance (31st March 2023)	(8,994)	(9,554)	(560)

8.16. The minimum level of General Fund balance is determined based on known and unknown risks. Known risks are those things that we think could happen and we can forecast both a potential cost if they happen, and percentage likelihood. The notional amount is based on multiplying the cost by the potential likelihood. The notional amount for unknown risks is based on 5% of net expenditure. There is not an actual budget set aside for either of these risk types so, when they occur, they are reflected as budget variances (see table 3). We monitor the level of known risks that actually happen, as it highlights whether there might be further variances. This would be likely if a number of risks come to fruition during the early part of the year. We also use this monitoring to inform the assessment of risks in future years. The notional amount calculated at the start of the year for known risks was £1,808k, and at the end of the first quarter a total of £41k has come to fruition. The identified risks realised in the first quarter relate to

- Usage of bed and breakfast accommodation for homeless households (as highlighted in table 3 above) - £3k (net of £80k Covid-19 budget provision).
- Additional costs associated with progressing the Local Plan (as highlighted in table 3 above) - £38k.

Table 8 – Known financial risks

	£'000
Original allowance for known financial risks	1,808
Known financial risks realised in Quarter 1	(41)
Remaining allowance for known financial risks	1,767

9. LEGAL IMPLICATIONS

- 9.1. The Cabinet has a responsibility to keep under review the budget of the Council and any other matter having substantial implications for the financial resources of the Council. Specifically, 5.6.8 of Cabinet's terms of reference state that it has remit "*to monitor quarterly revenue expenditure and agree adjustments within the overall budgetary framework*". By considering monitoring reports throughout the financial year Cabinet is able to make informed recommendations on the budget to Council. The Council is under a duty to maintain a balanced budget and to maintain a prudent balance of reserves.
- 9.2. The recommendations contained within this report are to comply with the council's financial regulations with attention drawn to significant budget variances as part of good financial planning to ensure the council remains financially viable over the current fiscal year and into the future. Local authorities are required by law to set a balanced budget for each financial year. During the year, there is an ongoing responsibility to monitor spending and ensure the finances continue to be sound. This means there must be frequent reviews of spending and obligation trends so that timely intervention can be made ensuring the annual budgeting targets are met

10. FINANCIAL IMPLICATIONS

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

11. RISK IMPLICATIONS

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

12. EQUALITIES IMPLICATIONS

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

13. SOCIAL VALUE IMPLICATIONS

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

14. ENVIRONMENTAL IMPLICATIONS

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

15. HUMAN RESOURCE IMPLICATIONS

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

16. APPENDICES

- 16.1. None.

17. CONTACT OFFICERS

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- 17.6. Reuben Ayavoo, Policy and Community Engagement Manager
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18. BACKGROUND PAPERS

- 18.1. None.

CABINET 13 SEPTEMBER 2022
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*PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: COUNCIL DELIVERY PLAN 2022-23 (QUARTER 1 UPDATE)

REPORT OF: REPORT OF THE SERVICE DIRECTOR - RESOURCES

EXECUTIVE MEMBER: FIANANCE AND IT

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

1. EXECUTIVE SUMMARY

This report presents progress on delivering the Council Delivery Plan for 22-23 at the end of Quarter 1, which includes:

- Progress against the completion of Council projects and milestones
- Requests to change milestone dates
- Commentary on progress made and any new issues, risks, or opportunities
- The addition of new projects
- The setting of key Council projects

2. RECOMMENDATIONS

- 2.1. That Cabinet notes the progress against Council projects as set out in the Council Delivery Plan (Appendix A) including changes to milestone dates and risks.
- 2.2. That Cabinet confirms the completion of one of the Council projects.
- 2.3. That Cabinet confirms the addition of two new Council projects, which are the Shared Propensity Fund and Churchgate.

3. REASONS FOR RECOMMENDATIONS

- 3.1. The Council Delivery Plan (CDP) monitoring reports provide Cabinet with an opportunity to monitor progress against the key Council projects, and understand any new issues, risks or opportunities.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. In developing the CDP it was agreed that Cabinet would receive quarterly updates. The updates are also provided to Overview and Scrutiny Committee so that they can provide additional oversight and support to Cabinet.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1. Service Directors and Service Managers have provided updates on progress and will have made Executive Members (and Deputies) aware of progress made.
- 5.2. A draft of the Quarter 1 update was provided to Risk Management Group (RMG) in August. The Group has a standing invite to the Executive Member for Finance and IT (has responsibility for performance monitoring), the Deputy Executive Member for Finance and IT, the Chair of Overview and Scrutiny (O&S) and the Chair of Finance, Audit and Risk Committee (FAR). Other members of O&S and FAR are also encouraged to attend when they are able to. RMG were asked to comment on the content and format of the CDP Q1 update.
- 5.3. The CDP is reviewed by Overview and Scrutiny Committee and they are asked to provide comments and recommendations to Cabinet.

6. FORWARD PLAN

- 6.1 This report contains a recommendation on a key Executive decision first notified on the Forward Plan on the 7 June 2022.

7. BACKGROUND

- 7.1. The CDP brings together projects, risks and performance indicators together in one document. It was adopted by Cabinet in March 2022, which included the projects to be included within the CDP.

8. RELEVANT CONSIDERATIONS

- 8.1 Appendix A provides an update on the progress made in delivering the Council Delivery Plan. Whilst it is labelled as a Quarter 1 update, it generally reflects the latest position at the time that the report was written (mid-August).
- 8.2 Cabinet are asked to approve the following:
- That two new projects should be added to the CDP (recommendation 2.3). The addition of Churchgate reflects that the Council was successful in purchasing the head lease for the shopping centre. The addition of the Shared Prosperity Fund reflects that the Council has an allocation of funding and has submitted a bid to release that funding.
 - That the installation of EV charging for Council vehicles project has been completed.

- The progress made to date against each project and resulting impacts on future milestones, as detailed in the commentary against each project in Appendix A. Future updates will provide monitoring against any revised milestones.

8.3 The intention is that the CDP reports provide an overview, as providing all the details on project milestones would lead to a report that was too long. Requests can be made (especially by O&S) to look at individual projects in more detail. Any such request would be incorporated in to the next monitoring report.

9. LEGAL IMPLICATIONS

9.1 The constitution determines the role of Cabinet as including: “To take decisions on resources and priorities, together with other stakeholders and partners in the local community, to deliver and implement the budget and policies decided by the Full Council. To monitor performance and risk in respect of the delivery of those policies and priorities” (paragraph 5.6.3) .

9.2 The constitution determines the role of Overview and Scrutiny as including: “To review performance against the Council’s agreed objectives/ priorities and scrutinise the performance of the Council in relation to its policy objectives, performance targets and/ or service area. To consider risks to the achievement of those objectives/ priorities. To make recommendations to Cabinet” (paragraph 6.2.7 (s)).

9.3 There are no specific legal implications arising from the CDP as a whole. However, there may be individual legal implications for some of the projects outlined. Any commissioning of work on new and existing projects will follow the standard legal requirements and those required by the Council’s internal standing orders, contained within the Constitution.

10. FINANCIAL IMPLICATIONS

10.1 There are no direct financial implications arising from this report. Where projects are linked to efficiencies or investments then these are included in the budget proposals, and monitored through the quarterly finance reports.

11. RISK IMPLICATIONS

11.1 The Council Delivery Plan aims to support the risk management process by directly linking the risks to projects being undertaken. The aim of these proposals is to strengthen the link between performance and risk and make risks more current. This should provide an improved perspective of the risks that the Council faces.

12. EQUALITIES IMPLICATIONS

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

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

12.3 As projects progress, Equality Implications will be considered and Equality Impact Assessments conducted where relevant.

13. SOCIAL VALUE IMPLICATIONS

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

14. HUMAN RESOURCE IMPLICATIONS

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

15. ENVIRONMENTAL IMPLICATIONS

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

15.2 As projects progress, Environmental Implications will be considered and Environmental Impact Assessments conducted where relevant.

16. APPENDICES

Appendix A – Council Delivery Plan 22-23 Q1 monitoring report

17. CONTACT OFFICERS

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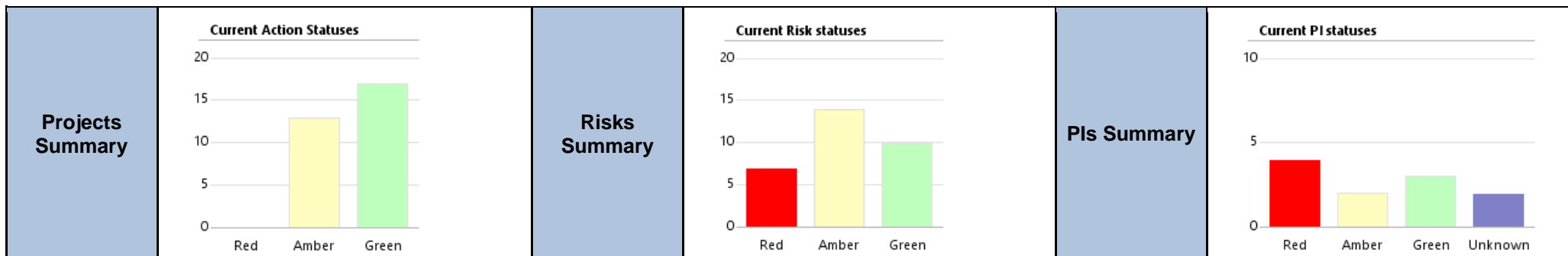
18. BACKGROUND PAPERS

None

Council Delivery Plan – Status Key

Status	Description
Projects	
	The project (and all recorded milestones) has been completed.
	All ongoing milestones have not reached their due dates (or do not have due dates).
	There is at least one ongoing milestone that has not been completed by the due date, but the overall project due date has not passed. Proposals to change milestone due dates will be made, which may also lead to a proposed change to the overall project due date.
	Overall project due date has passed and there is at least one milestone that has not been completed. Proposals to change project due date and milestone due dates will be made.
	The progress bar is based on the number of completed milestones compared with the total number of milestones e.g., two completed out of a total of six would be 33%. Therefore, 0% reflects that no milestones have been completed yet, rather than there has been no progress at all.
Risks	
	Assessed as a low risk.
	Assessed as a medium risk.
	Assessed as a high risk.
	
PIs	
	Data value has met or exceeded the target figure.
	Data value has not achieved the target figure, but it is within the agreed tolerance range.
	Data value has not achieved the target figure and it is outside the agreed tolerance range.
	Pentana cannot calculate a status, as officers have not entered a target figure for the period on to the system.
	Data value has improved compared with the same time last year.
	Data value has deteriorated compared with the same time last year.
	Data value has not changed compared with the same time last year.
	Pentana cannot calculate a direction of travel, as previous data is not available for comparison.



Council Delivery Plan 2022/23







COVID RECOVERY

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	Museum/HTH Recovery	Progress	<div><div>66%</div></div>	Due Date	31-Mar-2023				
Project Summary	To rebuild museum visitor numbers, Town Hall usage and income.								
Latest Update	Museum - gradual but positive return towards pre-Covid visitor numbers. Town Hall - first quarter performance above 2018/19 and 2019/20 (pre-Covid), but currently behind budget. Risk reduced based on Q1 performance.								
Risks	Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
1. All related milestones carry the risk of new emerging variants or a worsening Covid picture; separately, the booking of Hitchin Town Hall and income levels may be impacted by the rising cost of living and the reduced levels of disposable income. 2. Lack of interest in the facilities following extended period of closure and restrictions. 3. Inability to generate income as well as hoped and to the levels targeted.		5	3	1	Museum visitor numbers			7,440	9,375
					Hitchin Town Hall booking enquiries				



	Tourism Strategy	Progress	<div>0%</div>	Due Date	31-Mar-2023					
Project Summary	To develop a draft strategy (by end of 2022/23).									
Latest Update	We will now appoint consultants by the end of October 2022 and still expect to have a Strategy in place by end of year.									
Risks		Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
1. Risk of delay in procuring consultants and subsequent delay to production of strategy.			1	1	1					

	Business Recovery: Grants				Progress	<div><div>50%</div></div>	Due Date	31-Mar-2023		
Project Summary	Promotion of business grants and payment. Completion of required Government reconciliations.									
	We continued promotion right up until all business grants ceased on 31 March 2022. All grants were processed and paid within the stipulated timeframes. As there are no remaining grant schemes, there is no further risk. We are still reconciling, but all government grants are up to date and we are providing information to the Department for Business, Energy & Industrial Strategy with regard to any Fraud Assurance Audits. SIAS are currently finalising a draft audit report of our processes.									
Risks		Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
1. Lack of resources available to deliver grant schemes.			1	1	1					

	Town Centre Recovery	Progress	<div>0%</div>	Due Date	31-Mar-2023					
Project Summary	Completion of economic recovery strategies for four towns. Development of permit scheme for experimental Traffic Regulation Orders.									
Latest Update	Economic Recovery strategies ongoing and now expected by end of July 2022. To link to review of Town Centre strategies and will depend on available resources. Royston ETRO has been completed and the trial period runs to July 2023. Work continues on the development of the Hitchin ETRO and the related permit scheme administration/implementation.									
Risks		Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
1. Resourcing the project – limited budget available. 2. Town Strategy not yet in place.			3	3	1					

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	Health Inequalities	Progress	<div><div>20%</div></div>	Due Date	31-Mar-2023					
Project Summary	To secure funding for projects (targeting HCC Public Health) to address health inequalities. Then develop actions based on funding available and terms attached.									
Latest Update	Health and Wellbeing - Application progressed and funding secured, and the Memorandum of Understanding (MoU) progressed and signed off in May 2022. This MoU agreement is for two years and is a place-based health inequalities programme between HCC Public Health and NHC. The current funding identified under the MoU is £60K for 2022-2024. Environmental Health - Delay in applying for funding due to team supporting Ukraine refugee programmes (housing inspections) and vacant posts. Expecting that will have resource to progress application and secure funding by end of 2022. May have to look at other funding sources if HCC Public Health funding not available.									
Risks		Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
1. Inability to achieve funding. 2. Delays in achieving funding affects delivery of outcomes. 3. Terms of any funding affects what can be delivered. 4. Staff shortages/competing priorities limit progress.			7	7	3					





	Economic Development Strategy	Progress	<div><div>33%</div></div>	Due Date	01-Sep-2022					
Project Summary	Develop Economic Development Strategy based on resources available.									
Latest Update	Work to develop an Economic Development Strategy continues. The preparation of the Strategy and the development of related budgets is now expected to be completed by the end of October 2022. The Strategy and related actions will then be subject to Cabinet approval. The risk level remains the same as currently, there is continued uncertainty regarding related focus, priorities, and available resources.									
Risks		Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
1. Uncertainty over focus of the strategy. 2. Determination of level of priority and the funding to be allocated from 2023/24.			5	5	3					



CLIMATE CHANGE

Page 01 Project Summary Latest Update	Resident/Public EV Charging in our Car Parks				Progress	<div>0%</div>	Due Date	31-Mar-2023		
	Submit grant application to Office for Zero Emission Vehicles for funding. Further actions dependent on funding awarded.									
	This project has been subject to a delay, due to the Government changing how funding is allocated. Grant applications to OSEV are now for 60% of costs rather than 75%, meaning that our private sector partner will now need to provide 40% rather than 25%. A subsequent Expression of Interest exercise confirmed that there was still interest from the market. We now aim to appoint a private sector partner by the end of October 2022, following a procurement exercise. We will then work with our partner to establish detailed costings and to submit the grant application by the end of December 2022. The risk level remains the same as there remains uncertainty regarding our ability to successfully procure a private sector partner and obtain grant funding.									
Risks		Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
1. Not successful in obtaining grant funding. 2. Unable to identify/procure a private sector partner.		<div></div>	5	5	1					



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	Cycling Network	Progress	<div><div></div>0%</div>	Due Date	31-Mar-2023					
Project Summary	Working with HCC as they develop a Local Cycling & Walking Infrastructure Plan (LCWIP). Use to inform a North Herts cycle strategy.									
Latest Update	We continue to work with HCC on the draft LCWIP. The 6-week consultation period will commence on 5 September 2022, as we preferred that the consultation was not carried out over the summer. The later date also has the added benefit of aligning well with area committee dates. Due to the timing of the consultation, the LCWIP is now expected to be adopted at the January 2023 HCC Highways Transport Panel meeting. The LCWIP will then inform work on the NHC Cycle Strategy, with the timeframe currently anticipated as June 2023 for a draft to Cabinet and October 2023 for adoption. The risk level remains low, as the LCWIP is progressing, and we expect to start work on the NHC Cycle Strategy by the end of 2022/23.									
Risks		Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
1. Resourcing for NHC and HCC. 2. Timing and adoption of LCWIP by HCC transport panel. 3. Limits to what can be achieved in this financial year.			3	3	1					



	EV Charging for Council Vehicles	Progress	<div><div></div>100%</div>	Due Date	31-May-2022					
Project Summary	Install two charging points in DCO rear car park (charging for four vehicles).									
Latest Update	The EV charging points were installed on 17 August 2022.									
Risks		Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
1. Lead-in time from supplier could cause delays. 2. Number of options available makes it difficult to determine optimal option. (No longer a risk - option selected and contract awarded.)			5	1	1	Miles driven by NHC full electric vehicles			848	8,750

	Royston Leisure Centre Solar Thermal	Progress	<div><div>25%</div></div>	Due Date	31-Mar-2023					
Project Summary	Installation of Solar Thermal technology at Royston Leisure Centre.									
Latest Update	Consultant has completed detailed costings, which results in a price outside the agreed budget. To seek approval from Cabinet to continue. Will delay appointing a contractor but expect to still meet overall project timings. No change made to the associated risk level, at this stage.									
Risks		Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
1. Tender returns over budget. 2. Delays to project plan.			5	5	5					



TOWN CENTRES

Page 103		Town Centre Strategies	Progress			<div><div>33%</div></div>	Due Date	31-Jan-2023		
	Project Summary	Complete High Level Town Centre Recovery Action Plans for each town. Develop project plan for detailed Plans based on high level report.								
	Latest Update	Economic Recovery strategies ongoing and now expected by end of July 2022. To then develop a plan to Cabinet in December 2022. Expecting that this will mean the Letchworth Town Centre Strategy should then follow in January 2023. The risk level remains medium, as there are still resource issues regarding producing (and subsequently delivering) identified strategies. However, we have now secured a Project Officer post and when we have successfully recruited to the position, this will help to alleviate the issue and reduce the risk.								
Risks		Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
1. Lack of available resource to produce and deliver identified strategies.			5	5	1					











	Finalise Pay on Exit Parking Review				Progress	<div>0%</div>	Due Date	30-Sep-2022		
Project Summary	Complete feasibility study and report to Cabinet on options.									
Latest Update	Work to produce the Feasibility Study is ongoing. Due to the potential for further work being required following publication of the report, the anticipated timeframe for presenting a report to Cabinet is now December 2022 rather than September 2022. The risk level remains low at the moment, although this will need to be re-assessed in light of the findings of the Feasibility Study and the resource implications of any selected scheme.									
Risks		Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
1. Budget implications of selected scheme.			1	1	1					



Page 04		Replacement of Royston Town Hall Annexe	Progress	<div><div></div></div> 0%	Due Date	31-May-2023				
	Project Summary	In this year, to market the site on a non-committal basis to assess options. To then report to Cabinet for a decision. Project will span more than one year.								
	Latest Update	We have liaised with several interested parties for interim letting to generate rental income, pending investigation of title rights to pursue marketing of a longer-term repurposing opportunity. We are in the process of obtaining an Energy Performance Certificate, which will help to inform our options for letting. We anticipate seeking a decision from Cabinet in May 2023 regarding a preferred way forward. The risk level remains medium, as there is still uncertainty regarding rights/restrictions, viability, costs, and planning at this early stage.								
Risks		Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
1. Cost and time in acquiring rights or addressing restrictions are prohibitive. 2. Planning permission refused or subject to unviable conditions. 3. Desire to retain partial community use impinges on viability. 4. Build cost inflation impinges on viability.			5	5	2					

IMPROVING HOW CUSTOMERS ACCESS OUR SERVICES

	Customer Portal	Progress	<div><div>33%</div></div>	Due Date	31-Mar-2023				
Project Summary	Research options for My Account, transformation programme to consider options for development, implement recommended options.								
Latest Update	The research of options for further developing MyAccount progressed and was completed in July 2022. We are now due to commence scoping of a project to implement Waste into MyAccount. Work continues to establish a clear set of wider ‘transformation’ deliverables and the timing of the Waste project within any wider programme is still to be agreed. The risk level remains medium, with the main mitigations being working within a wider transformation programme and utilising the supplier's expertise and experience.								
Risks	Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
1. Additional modules are not forthcoming.		5	5	5					



Page 1



	Help Residents Make Payments at Convenient Locations	Progress	<div><div>25%</div></div>	Due Date	30-Nov-2022				
Project Summary	Technology in place to allow payments to be made in different ways, including by cash at local shops.								
Latest Update	Progressing in line with milestones and expect to complete by end of November 2022. The risk remains at a medium level for the time being, although we expect this to reduce as we continue to complete project plan tasks over the coming months.								
Risks	Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
1. Resourcing issues delay progress. 2. Unexpected costs affect viability of business case. 3. Residents fail to use the service provided.		5	5	3	Percentage of NNDR collected in year			37.49%	34.5%
					Percentage of council tax collected in year			37.61%	34.5%
					Percentage of raised sales invoices due for payment that have been paid			78.13%	97%
					% of payments received that were paid by electronic methods			99.05%	99.3%


	Supplier Self-Service	Progress	<div>0%</div>	Due Date	31-Mar-2023					
Project Summary	Technology in place that allows suppliers to update their details, submit invoices and view payments electronically.									
Latest Update	We have assessed the option available from our current finance system provider, which would not deliver the required improvements. Now looking more widely which is expected to delay the overall project by two months (to 31 May 2023), and also changes milestones. As progress has already been delayed, the risk level continues to be assessed as medium.									
Risks		Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
1. Failure to find viable solution. 2. Resource issues delay progress. 3. Suppliers do not submit invoices via the portal, fail to achieve efficiencies. 4. Data security issues.			5	5	3					




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IMPROVING THE SUPPLY AND TYPES OF HOUSING ACROSS THE DISTRICT



106		Empty Homes Strategy	Progress	<div><div></div></div> 0%	Due Date	01-Apr-2023					
Project Summary	Develop and implement a strategy to reduce numbers of Empty Homes.										
Latest Update	Discussions with the Executive Member and Deputy Executive Member are continuing. There is currently uncertainty regarding the timing and scope of the Strategy, due to the continued staffing resource issues in EH and the need to determine the level of available funding. Currently, the estimated timeframe for the Strategy to be adopted remains March 2023.										
Risks			Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
1. Resourcing further actions following adoption of the Strategy. 2. Availability of empty homes that we can take forward under the Strategy. 3. Cost to Council of maintaining empty properties. 4. Potential reputational risk. 5. Staff shortages/competing priorities limit progress with developing Strategy.				4	4	3					

	New Ways of Delivering Housing on Council Land					Progress	<div><div></div>0%</div>	Due Date	01-Dec-2022		
Project Summary	Alternative ways to deliver housing on surplus Council land (other than sale to a developer) to provide a greater financial return to the Council.										
Latest Update	Establishing a way forward through a framework contractor was unsuccessful and the team is now working with Legal and Procurement to identify the best way to deliver this programme of work as a potential joint venture. The timescale for the project initially presented in the Council Delivery Plan needs to be extended, with the construction phase now estimated to commence by December 2023. The related risks remain relevant and overall, the risk level is still assessed as medium.										
Risks		Risk Level	Original Score	Current Score	Target Score	Performance Indicators		Status	Trend	Value	Target
1. Being able to develop a viable project. 2. Housing development subject to planning. 3. Working with the right supplier for the Council. 4. Demand to provide more homes across the District.			5	5	5						


Page 167		Work with Stakeholders to Increase Accommodation for Single Homeless People	Progress	<input type="text" value="0%"/>	Due Date	31-Mar-2023
Project Summary	Working with Haven First to secure development of accommodation in Letchworth. Work with partners to deliver general and specialist accommodation.					
Latest Update	<p>Updates include:</p> <ul style="list-style-type: none"> - Work continues with Haven First regarding provision of a new hostel for single homeless people and it is anticipated that they could make an announcement shortly regarding moving the project forward. - Current provision at the former Lord Lister Hotel, Hitchin (provided by Keystage Housing) and Templars Hotel, Baldock (provided by Haven First) are both awaiting retrospective planning permission, with decisions currently expected in October 2022. - We are also exploring the opportunity to adapt a small current scheme in Letchworth (provided by Metropolitan Thames Valley Housing) into a female only scheme that will provide 24/7 support, utilising HCC funding. - A report is due to be presented to Cabinet sometime this year (included on the Forward Plan) regarding proposals for allocating government funding to supported homelessness schemes. <p>The risk level remains high regarding increased homelessness due to many different factors e.g., cost of living crisis, access to the private rented sector, availability of affordable housing, various asylum/refugee schemes. The actions included in this project aim to help mitigate the risks associated with single homeless people with complex needs, but the threat of homelessness relates to individuals, couples, and families, and we continue to assist all of those affected where required.</p>					


Risks	Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
1. An excessive demand from the public for housing services. 2. A lack of alternative housing options. 3. An increase in the levels of homelessness. 4. An increased use of hotel accommodation for homeless households. 5. Major difficulties for some members of the public to access the private rented sector. 6. High levels of support for some clients.		8	8	5	Number of households living in temporary accommodation			99	


<div>Project Progress</div> <div>100%</div>	<div>Local Plan Implementation</div>	Progress			<div>0%</div>	Due Date	31-Mar-2023			
	<div>Adoption of Local Plan by Council.</div>									
	<div>The Inspector's draft report was finally received in June 2022. Officers are now reviewing the contents and will respond to the Inspector in July 2022. Based on this, it is realistic to expect the Inspector's final report to be received by the end of September 2022, with a Full Council decision on adoption following in October/November 2022. Although things are now progressing, the risks associated with adopting/implementing the Local Plan are still currently assessed as being high.</div>									
Risks		Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
1. Delay in inspectors report on the new Local Plan, resulting in a longer period without appropriate guidance. 2. Increased uncertainty of planning policy base. 3. Delay or failure to adoption/implementation of the new Local Plan. 4. Legal challenge to Local Plan. 5. Intervention by the Secretary of State i.e., issuing a holding direction. 6. 'Hostile' applications in areas not designated within the Local Plan.		<div></div>	9	9	5					

	Master Planning	Progress	<div><div></div></div> 0%	Due Date	31-Mar-2023				
Project Summary	Secure funding for Master Plans. Develop Master Plans and seek adoption.								
Latest Update	Timelines will vary by site. Liaison with developers has been completed for 3 sites and in progress for 2 others. The sixth one will not happen until the Local Plan is adopted. The risk level is still assessed as medium, as uncertainty remains regarding potential modifications in the Inspector's report and timing of a decision on Local Plan adoption, as well as the longer-term risks relating to the availability of funding to resource the process and the implications for pre-application and planning application income.								
Risks	Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
1. Failure to secure funding to resource the process. 2. Inspector's report modifies master planning policy. 3. Non-adoption of the Local Plan. 4. Reduction in pre-application income and delay to income from planning applications.		5	5	3					







FINANCIAL SUSTAINABILITY

	Financial Sustainability/Balancing our Budget	Progress	<input type="text" value="0%"/>	Due Date	28-Feb-2023
Project Summary	To deliver a medium term balanced budget for the Council that reflects Council priorities.				
Latest Update	Work on a Medium Term Financial Strategy that is aligned to the Council Plan is progressing, and it will go to Council for approval in September 2022. The due date for responding to the government's expected consultation on funding reform needs to be amended to September 2023, as the consultation is now not expected to take place until summer 2023. The assessed risk level remains high, as there is still uncertainty regarding the Council's overall financial position, although our embedded risk mitigation measures continue to inherently consider and help manage future risk.				



Risks	Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
1. Funding reductions as a result of new funding formula. 2. Loss of sales, fees, and charges income due to continuing impact of COVID-19. 3. Not able to make the required decisions to deliver budget savings required. 4. Increases in costs (reductions in income) when contracts are renewed and as a result of inflationary increases.		9	9	5					

Page 10 Project Summary Latest Update	Full Review of Council Tax Reduction Scheme				Progress	<div><div>25%</div></div>	Due Date	31-Mar-2023		
	Implement a new scheme that is affordable, easy to administer and understand and fair to recipients.									
	A consultant has been engaged to provide expertise and support the project, and the options appraisals have been completed. The project remains on schedule to be implemented for the start of 2023/24, which requires changes to be made in time for annual billing in February 2023. The associated risk score has been reduced to reflect the engagement of the consultant and the current positive outlook for project success. There is uncertainty regarding the potential findings of the planned consultation exercises, but this is considered low risk.									
Risks		Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
1. Lack of resources and specific skills to deliver. 2. Impact on the project of consultation outcomes.			5	3	3					



GOVERNMENT RESOURCES AND WASTE STRATEGY

	Response to Government Resources and Waste Strategy	Progress	<div>0%</div>	Due Date	31-Mar-2023					
Project Summary	For this year, to engage with Councillors on a service design for the forthcoming new contract process.									
Latest Update	The Government has still not published the outcomes from the consultations on emerging strategies. However, we are still moving forward with preparations based on anticipated outcomes and current best practices. The initial Member consultation on service design is due to end towards the end of August 2022, with reports to O&S (September 2022) and Cabinet (October 2022) to follow. The key areas of focus regarding options for the new contract remain alignment of NHC/EHC services and ensuring environmental and financial sustainability. The aim is to award the new contract in spring/summer 2024, with contract mobilisation then being undertaken up to the May 2025 commencement date. Due to the continued uncertainty regarding Government strategy, potential changes to legislation, future costs, interest from the market etc., this remains a high-risk area for the Council.									
Risks		Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
1. Delays in confirmation of government strategy or legislation. 2. Protracted decision making. 3. Lack of interest from suppliers. 4. Increased cost uncertainty. 5. Reduced income from chargeable services. 6. Protracted contract negotiations. 7. Confusion by residents over new services. 8. Reduction in resident satisfaction due to requirements to recycle more etc. 9. Impact on Council reputation due to difficult service change mobilisation. 10. Failure by Government to honour 'New Burdens' doctrine.			9	9	5	Kg residual waste per household			91kg	89kg
						Percentage of household waste sent for reuse, recycling and composting			56.05%	59%



GREEN SPACE MANAGEMENT STRATEGY

	Green Space Management Strategy	Progress	<div><div></div>0%</div>	Due Date	31-Mar-2023					
Project Summary	For this year, installation of interactive play, wilding projects and other projects (as determined).									
Latest Update	The interactive play equipment at Bancroft, Hitchin has been installed and opened to the public. The interactive play equipment at Serby Avenue, Royston will be opened shortly, following a consultation exercise with local residents. Interactive play equipment at Jackmans Central, Letchworth and Holroyd Crescent, Baldock has been installed and we are awaiting installation of the required dedicated power provision at both sites. The current expectation is that all four projects will be completed by the end of August 2022. Funding to implement the recommendations from the Wilding audit has been secured, and related work will continue throughout 2022/23. A revised mowing regime commenced at the beginning of April 2022 and has been generally well received. The risk level remains low, as positive progress is being made with the related projects and initiatives.									
Risks		Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
Tenders received are not within budget.			1	1	1					


CHARNWOOD HOUSE


2 	Charnwood House	Progress	<div><div>33%</div></div>	Due Date	30-Apr-2023					
Project Summary	Leasing the property as a Community Hub.									
Latest Update	The building is empty. An asbestos survey has been carried out and obtaining quotes for removal. Community engagement was undertaken in March/April 2022 and information is being provided to interested parties, with dialogue continuing. The risk level is still assessed as medium, as there remains uncertainty regarding restrictions/conditions associated with the building, the viability of options, and project funding/timing at this early stage.									
Risks		Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
1. Covenant restriction on use. 2. Statute restriction on use. 3. Viability of Listed Building consent conditions. 4. Demand for community hub. 5. Delays due to Asset of Community Value (ACV) listing.			5	5	1					

MUSEUM STORAGE



	Museum Storage	Progress	<div><div></div></div> 0%	Due Date	31-Mar-2024					
Project Summary	Overall to construct a fit-for-purpose museum storage facility. In this year to complete work to enable construction to commence from 2023/24.									
Latest Update	Have changed approach to a conventional procurement (from a framework procurement). Using consultants to develop costings and a feasibility study. Will then be used for final specification and then procurement. New approach has changed timings but still expect to start construction in Spring 2023. Reviewing options for interim storage during construction and whether commercial storage is viable. The risk level remains medium, as we are still in the early stages of the project and details still need to be determined for many aspects.									
Risks		Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
1. Funding the project. 2. Unforeseen issues with the development. 3. Lower utilisation of the commercial storage opportunity than expected. 4. Until the project is completed, risk of damage to items stored at the current facility (mainly reputational, but potentially financial).			5	5	3					



LOCAL GOVERNMENT BOUNDARY REVIEW

	Local Government Boundary Review	Progress	<input type="text" value="33%"/>	Due Date	10-Jan-2023
Project Summary	To support and consult on the Boundary Review.				


Latest Update	The Local Government Boundary Commission consultation commenced in June 2022 and closed on 10 August 2022. Council agreed to the NHC submission with some amendments on 14 July 2022 and we submitted this to the Commission on 21 July 2022. The Commission is expected to consider its draft recommendations on 18 October 2022. The second consultation will commence on these recommendations on 1 November 2022 and will close in January 2023. A Council meeting has been arranged on 19 December 2022 for the Council to consider and agree its submission on the Commission’s recommendations. The Commission will then publish its final recommendation on 28 March 2023, and it is currently anticipated that a subsequent order will be laid in Parliament in Autumn 2023. The risk level remains low, as agreement was reached regarding NHC’s consultation submission and the project remains on target with all milestones reached at this stage.									
Risks		Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
1. Failure to meet set deadlines. 2. Failure to agree NHC consultation submission.			3	3	1					



PROJECTS ADDED TO THE ORIGINAL COUNCIL DELIVERY PLAN

Page 14		Shared Prosperity Fund (Draft)				Progress	<div><div>20%</div></div>	Due Date	31-Mar-2023	
	Project Summary	Deliver projects to support the aims of the Shared Prosperity Fund, as agreed with Government.								
	Latest Update	We have submitted an Investment Plan for the UK Shared Prosperity Fund, in order to access the allocation awarded to North Herts Council. We are currently working with Government on approval of the Plan.								
Risks		Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
1. Lack of general resources to deliver these projects as they are on top of those in service plans. 2. Failure to spend the money in the correct year, especially if there are delays in Government approval. 3. Lack of expertise in providing the required returns to Government on use of the grant. 4. Long lead times for capital elements means that items are unavailable until beyond the end of the funding period.			5	5	3					

	Churchgate (Draft)	Progress	<div>0%</div>	Due Date	31-Mar-2023					
Project Summary	Identifying, consulting on, and delivering long-term regeneration of the shopping centre and surrounding areas.									
Latest Update	Working on getting a project board set-up. Will then develop a project and communications/ consultation plan. Will report back to Council in November.									
Risks		Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
1. The regeneration will not meet expectations of stakeholders 2. Regeneration of the Centre and surrounding area is not cost effective/ not affordable. Including impacts of high inflation and likely recession.			9	9	6					

PERFORMANCE INDICATORS AND RISKS NOT LINKED TO SPECIFIC PROJECTS

Risks					Risk Level	Original Score	Current Score	Target Score
Vital additional actions require resources (e.g., staff and financial) to be redirected to enable them to be provided, which affects the delivery of other projects within the Council Delivery Plan. In the short-term, this is likely to include supporting the Homes for Ukraine scheme and providing financial hardship support. Also now includes bidding for Shared Prosperity Fund.						8	8	2

Performance Indicators	Status	Trend	Value	Target
Electricity and gas energy consumption (kWh) - 100% of reported energy consumption is from green energy sources			417,518	560,588

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CABINET 13 SEPTEMBER 2022
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*PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: MEDIUM TERM FINANCIAL STRATEGY

REPORT OF: *Service Director: Resources*

EXECUTIVE MEMBER: *Finance and IT*

COUNCIL PRIORITY: SUSTAINABILITY

1. EXECUTIVE SUMMARY

This report recommends the Medium Term Financial Strategy (MTFS) for 2023/24 to 2027/28 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 continuing impacts of Covid-19, cost of living pressures and future funding uncertainty. 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 Cabinet recommends to Full Council the adoption of the Medium Term Financial Strategy 2023-28 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 2023/2024 to 2027/2028, culminating in the setting of the Council Tax precept for 2023/24 in February 2023. 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 still ongoing effects of Covid-19 and the cost of living pressures.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 The Executive Member for Finance and IT and Deputy 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.
- 9.3 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 through the use of the established corporate business planning process and early involvement of members in the process.

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 directly 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. A survey has been carried out to identify those benefits that staff value the most, and an action plan is being developed based on the results.

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 2023-28

17. CONTACT OFFICERS

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18. BACKGROUND PAPERS

18.1 None

North Herts Council

Medium Term Financial Strategy
2023-28

Purpose of the Strategy

This strategy sits alongside the Council Plan. It sets out our financial forecasts over the next five 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 continues to be affected by the impacts of Covid-19. We will continue to use some of our reserves to fund ongoing impacts during 2023-24. It is also now heavily affected by the cost of living crisis, and specifically high levels of inflation. The strategy assesses our ability to use reserves to fund some of that impact, so we can avoid having to cut services at a time when our residents might need them the most.

We also face continued uncertainty over our future funding. It is expected that there will be a two-year funding settlement for 2023/24 and 2024/25 announced by the end of this calendar year. However, work on that will have been delayed by the process to elect a new Conservative party leader. It is also possible that Government priorities may change in relation to Local Government. All this means that we are likely to have less time to react as the financial outlook becomes clearer.

This strategy goes hand in hand with 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 into our forecasts.

Delivering our Vision and Priorities

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

Our vision is that 'we put people first and deliver sustainable services, to enable a brighter future together'. Our priorities therefore focus on: People First, Sustainability and A Brighter Future Together.

Most of the money that we spend 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. This will include looking for external funding and working with others.

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, recovery from Covid-19 and cost of living, that our focus has to be on that. That means that this strategy is focused on the next five years, with a particular focus on the next two to three 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 instead had to use these reserves to respond to Covid-19 and expect that this need will continue in 2023/24. We will also need to use them to help with the impact of rising costs from exceptionally high levels of inflation. Given the scale of these issues, we will also release any other reserves that we no longer need and add these to the general fund reserve. However reserves can only be spent once, and it is clear that spend will need to be reduced in the medium term and balanced against the funding we receive. This will require some difficult decisions on which services meet our statutory obligations and best deliver against our priorities.

This strategy is based on significant uncertainty and as better information becomes available then this will be used. The budget that Full Council sets in February 2023 will be focused on 2023/24, but will also consider the medium term impact.

Our current budget position

Our budget for this year (2022/23) was set at a meeting of Council in February 2022. This also set indicative budgets for future years. In June 2022 we reported our end of year position for 2021/22. This report also detailed spend that had not taken place in 2021/22, that would now take place during 2022/23. The numbers below also reflect our forecasts for 2022/23 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 2021/22	10.607
Less: How much we plan to spend during 2022/23	18.056
Add: Our expected funding during 2022/23	15.820
Add: other reserves that we plan to use to fund our expenditure *	1.183
Equals: General Fund balance at the end of 2022/23 (start of 2023/24)	9.554

* We can only use our reserves once. The use of reserves in response to Covid-19 and the cost of living crisis is exceptional and must not form part of an ongoing sustainable strategy.

We have a Business Rates grant reserve. Government provide businesses 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 into a reserve until it is needed. In the past we have also gained from Business Rate pooling arrangements and have put these gains into the reserve to protect us from future risks. The total balance on the reserve as at the end of 2021/22 was £9.4m. Around £0.5m was previously agreed to be released to the General Fund in 2022/23, while we know that we will also need to use around £4.9m of the reserve to cover the unwinding of Covid-19 impacts on Business Rates and other costs in this year and next. We will also continue to set aside £1m to cover fluctuations in Business Rates income, which is made up of £0.5m for normal risk and an additional £0.5m to reflect the uncertainty from the current economic situation. Therefore £3m will be released into the General Fund.

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

Covid-19 impacts

For the 2022/23 budget we assumed that spend and income would be back to normal but made a central budget provision of £1.74m (i.e. these are assumed additional costs which are based on specific budget assumptions, but as the actual impact is very uncertain the resulting total budget will be managed corporately and allocated to individual budgets when there is greater certainty over the specific impacts). This was based on the table 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	50% of management fee	0.42	20% of management fee	0.16
Pay as you use parking income	2.02	10% of annual income	0.20	5% of annual income	0.10
Hitchin Town Hall	0.23	50% of annual income	0.11	20% of annual income	0.04
Trade Waste income	1.01	10% of annual income	0.10	5% of annual income	0.05
Homeless costs	0.08	100% increase	0.08	50% increase	0.04
Car park season tickets	0.32	40% of annual income	0.12	20% of annual income	0.06
Recyclable materials	0.29	100% increase	0.29	50% increase	0.15
AFM income	0.42	100% of annual income	0.42	50% of annual income	0.21
			1.74		0.81

An amount for 2023/24 was also estimated. Whilst the Quarter 1 monitoring for 2022/23 shows differences in terms of specific continuing impacts, the overall estimate is currently about in line. Therefore, the overall assumption for 2023/24 of £0.81m will be retained. This then assumes that budgets will return to normal (pre Covid-19 levels) from 2024/25 onwards. It also assumes that any future waves of Covid-19 will not lead to significant mandatory or voluntary changes in behaviour, as these are likely to further delay the return to pre Covid-19 levels. There is also a risk that some budgets e.g. parking season tickets will never return to pre Covid-19 levels.

Inflation and cost of living impacts

The UK (as well as many other countries) is facing a period of extremely high inflation (expected to be above the target 2% target level for 2 years), and there is also an expectation that the UK will enter a period of recession. As a result the Council needs to consider the following impacts:

- The cost of providing contracted services
- Pay inflation for our staff
- Increases in fees and charges, and impact on demand/ ability to pay
- Eligibility for Council Tax Reduction Scheme
- Other support that the Council can provide
- Interest rate increases

Contracted services inflation

Our largest contract is for waste collection and street cleansing. The contract is inflated in May each year based on a basket of indicators (35% wage inflation, 40% general inflation, 15% fuel inflation and 10% uninflated). The increase in May 2022 was just under 10%, and forecasting a similar increase in May 2023, before returning to around 2% from May 2024.

Inflation on our grounds maintenance contract is linked to CPI and the increase for 2023/24 is estimated at around 5%.

Electricity and gas prices are expected to increase by around 20% in 2023/24, which is on top of a similar increase for 2022/23.

Overall the estimate for contract expenditure inflation is just over £800k in 2023/24, and then reducing to around £400k in 2024/25.

Pay inflation

Previous financial strategies had assumed average pay inflation of 2%. The pay claim from the Unions for 2022/23 sought a minimum £2,000 increase on all pay grades, or an RPI increase if this was greater. The employer offer is for a flat £1,925 increase across all pay grades. The percentage increase therefore varies by grade and ranges from around 10% (at grade 1 and the bottom of grade 2) to under 2% (at grade 16). The intention of the employer offer at a high level (compared to what had been budgeted by Councils) was to try and seek a relatively quick resolution, to get the money to employees and allow the focus to move to 2023/24. The Unions have said they are going to ballot their members on the offer, with one of them likely to recommend it is rejected and two of them expected to be neutral.. It needs two Unions (of the three) to agree.

For the purpose of medium term planning, we will assume:

- A 2022/23 pay award in line with the employer proposal, but noting the risk that this may turn out to be too low. The overall cost of this is £840k, or around 5% of the pay bill.
- A 2023/24 pay award at an average of 4%
- For 2024/25 onwards a pay award at an average of 2%, which is line with longer term inflation forecasts.

Increases in fees and charges, and impact on demand/ ability to pay

It has previously been decided that parking charges and garden waste charges should increase at a fixed 2% per year. These increases will be continued. We will also continue to gradually move the month when car parking charges are increased to bring it back to the start of the Summer. In 2023/24 the aim is that the increase will be applied from August, July in 2024/25 and June from 2025/26 onwards.

As mentioned previously, inflation on the waste contract is around 10%. We believe that trade waste and the trade recycling market can bear an increase of this level, so intend to pass on this increase. Other

suppliers of this service will also be faced with costs increases that are heavily linked to fuel inflation. Therefore, we do not want to distort the market by increasing our charges by too small an amount.

For other fees and charges where we have discretion as to how they are set, we have previously assumed an increase of CPI + 2%. But against this presumption we have considered whether the charge is covering the full cost of the service and the impact on demand of a price increase.

Given the current high CPI level, we don't think that most of our costs will increase at quite that level and certainly would expect an increase at that level to have an impact on demand. Therefore we will assume that our other discretionary fees and charges will increase at around 4% for 2023/24, and then 2% per year thereafter. As part of the 2023/24 detailed budget process we will review all fees and charges (including concessions) and put forward proposals on what these charges should be. This will allow greater transparency as to how these charges are set.

Our current assumption is that increases at these levels would not affect demand. For most of our services we seek payment in advance of receiving the service, so we are also not expecting an increase in levels of overdue debt.

Eligibility for Council Tax Reduction Scheme

The Council Tax Reduction Scheme (CTRS) determines who is eligible for a discount on their Council Tax bill. For pensioners there is a mandatory scheme set by Government. For working age residents, we can determine how any discounts are determined.

We are developing a proposal to change the way that working-age CTRS eligibility is determined. This will be subject to consultation before a final decision is made by Council in January. The current modelling is that the proposed scheme would cost slightly more than the current scheme. The increase is sufficiently small that it can be absorbed into assumptions around future tax base growth. The impact of CTRS is that it decreases the equivalent number of properties that would pay Council Tax.

These tax base assumptions will also have to consider the general economy and the impact on household income levels. If the UK does enter into a recession, then this is likely to cause further problems beyond the impact of price inflation.

Rising building costs and lower householder income may have an impact on housebuilders' willingness to invest in new housing and bring housing to the market. This in turn impacts on Council Tax base growth. However, demand is still vastly outstripping supply, housebuilding projects take time to deliver and inflation is expected to be brought back under control.

Overall, it is considered reasonable to continue with estimated Council Tax base growth of 0.5% per year. This is lower than the forecasts pre-Covid-19. This forecast is a net increase, which reflects that actual increases will be higher but will be accompanied by costs that vary with numbers of households (i.e. waste collection). This assumes that Full Council will adopt the North Hertfordshire Local Plan. If the plan is not adopted then it is likely that housing growth will be lower.

Other cost of living support

Whilst we would like to be able to offer our residents more support during this very difficult economic time, we have to be mindful of the pressure on our own finances. Therefore, we will focus on continuing our discretionary services and working with our partners, voluntary sector and community groups to signpost where support can be obtained..

Pension costs

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 (although the actual amount still therefore goes up with inflation) and the lump sum will increase with inflation. There had been an early indication that the percentage contribution rate could decrease slightly, but that may have been impacted by high inflation and other economic factors. The latest triennial valuation (for March 2022) will be completed before the 2022/23 budget is set. That valuation will set our pension contribution rates for the next three years.

Waste costs

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

- Introducing 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 higher value recycling materials would be taken to deposit return locations, leaving us to collect the remainder. This would negatively affect the net costs of disposal for recycling materials.
- Extended Producer Responsibility, which places the financial burden for waste on those that are producing it at source.

It is still not yet known which of the above will be adopted, when they will be adopted or even if they 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. Councillor workshops on planning for the new contract have highlighted that there is likely to be a need to make decisions on how to try and keep costs under control. This will include decisions that take advantage of the fact that we have a joint contract with East Herts Council.

Delivering our priorities

Our Council Plan sets out our vision and priorities for 2022-27. As there have been no changes to that vision and priorities, it has not been necessary to update the Council Plan this year. However, the Council Plan that was set in 2022 did include some examples of our key Council projects. As we now monitor our key projects through a regularly updated Council Delivery Plan, this section of the Council Plan can now be deleted.

The Council Delivery Plan for 2022/23 was agreed by Cabinet in March 2022, and a Quarter 1 update will be provided to Overview and Scrutiny and Cabinet in September 2022.

The table below shows the status of each of these in terms of resources and medium term financial assumptions:

Project	Resources
Museum/ Hitchin Town Hall recovery	To be delivered from existing staffing resource. Assumed that income will return to pre-Covid-19 levels.
Tourism Strategy	Strategy to be delivered in 2022/23 from existing resources. No allowance for additional resource to deliver the resulting strategy.
Business Recovery Grants	Coping with delivery from existing resources. Expect to complete in 2022/23.
Town Centre recovery and strategies	Generally being delivered from existing and new (part of Shared Prosperity Fund) grant funding.
Health inequalities	Dependent on external funding (e.g. County Council Public Health funding). Some committed (elements led by Health and Wellbeing) but currently time limited and the remainder (elements led by Environmental Health) has not been bid for yet. No District Council funding assumed.
Economic Development Strategy	Strategy to be delivered in 2022/23 from existing resources. No allowance for additional resource to deliver the resulting strategy.
Resident/ Public EV charging in our car parks	Dependent on a private sector partner and Government funding. A small amount of match funding in capital programme.
Cycling network	To be delivered from existing staffing following adoption of the strategy by HCC, which will limit what can be achieved.
EV charging for Council Vehicles	To be completed in 2022/23.
Royston Leisure Centre Solar Thermal	To be completed in 2022/23.
Pay on exit review	Feasibility review to be completed in 2022/23. No resources identified for any capital works or impact on income.
Replacement of Royston Town Hall Annexe	Expectation that funding will come from a third party, no Council capital funding has been allocated.
Customer Portal	Elements will continue in future years, and will be subject to a business case to determine what will be taken forward. Currently not expecting any significant resources required.
Help Residents Make Payments at Convenient Locations	To be completed in 2022/23.
Supplier Self-Service	Currently cost unknown, with expectation that cost would be off-set by staff savings.
Empty Homes Strategy	Strategy to be adopted by Cabinet in 2022/23, no dedicated resource to implement
New Ways of Delivering Housing on Council Land	Investigation work part of 'Enterprise' work programme. No capital resource allocated, but will only continue if provides a net positive return compared to normal land sale. Impact on

Project	Resources
	timing of capital receipts would impact funding of capital programme.
Work with Stakeholders to Increase Accommodation for Homeless People	As the Council is not a stock holding Authority, the resource has to come from stakeholders (including Government). Support to be provided from existing staffing resources, although that is becoming challenging.
Local Plan Implementation	Anticipated that the Local Plan will be taken to Full Council for adoption in late 2022, adoption will follow predominately in 2023/24.
Master Planning	No dedicated resource with the expectation that funding will come from those looking to develop large sites.
Financial Sustainability/Balancing our Budget	Monitoring of impacts and prompting action to be met from existing resources. Will require decisions on priorities.
Full Review of Council Tax Reduction Scheme	To be completed in 2022/23.
Response to Government Resources and Waste Strategy	As detailed previously, no assumptions have been on the financial impact of this.
Green Space Management Strategy	To be delivered from existing resources, including capital programme allocations.
Charnwood House	Council decision in February 2022 was to support the project but not to allocate a specific amount of funding, pending plans (including direct and third-party funding contributions) from community groups. That is still the overall approach. However asbestos removal works are in the process of being undertaken as otherwise certain rooms cannot be accessed without specialist protective equipment. This is being funded from the existing property condition capital budget. This has been considered necessary to ensure the safety of those accessing the building, which will therefore help with generating community offers. It is also a pre-requisite for any improvements to the building. It was always expected that the total funding that the Council would provide would be greater than this amount, and the overall principle will still be to maximise third party contributions.
Museum Storage	Included in the capital programme with assumed income from commercial storage.
Local Government Boundary Review	Expected to be delivered from existing resources.
Other capital projects to reduce the Council's carbon impact	Some projects included within the existing capital programme (e.g. solar PV at leisure facilities). Any other projects would need be determined through a decarbonisation plan/ net zero roadmap, and capital resources allocated. Recent grant funding opportunities have all had requirements that the Council would not meet.
Shared Prosperity Fund	Grant includes an element for administration which will be used for required monitoring and performance returns.
Churchgate area regeneration	There will be a report setting out next steps. Overall expected that the scheme will be better than cost neutral. Cost neutral used for financial planning at this stage.

There is not currently any resource allocated for any new projects that are not listed above. Whilst these could be added as part of the budget setting process, the forecast section below determines that net savings need to be identified and delivered. Any discretionary cost increases will therefore increase the savings that have to be made in other areas.

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 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 councils 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 2025/26, although it is possible that it could be from 2024/25. The assumption that it will be 2025/26 is based on a commitment from Government that there will be a two-year funding settlement this year, that would therefore cover 2023/24 and 2024/25.

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 the 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 2023/24 and 2024/25, the forecast is made on the following assumptions:

- There will be a two-year funding settlement, and therefore 'negative RSG' will **not** be applied.
- We will receive New Homes Bonus (or equivalent) funding of £150k. This is based on previous estimates of what we would receive as the old scheme is withdrawn, combined with the assumption that the Local Plan will be adopted and that we will see more significant housing growth.
- Continuing funding of £100k to cover the costs of the Social Care levy employer contributions. Assumed at a flat amount even though it should grow with inflation.

For 2025/26 onwards, these additional assumptions are used:

- Negative RSG (or the equivalent of) will be applied and phased in over two years. Half the total impact (estimated at £629k in 2025/26) and the full impact from 2026/27 (estimated at around £1.3m and to increase with inflation).
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. The current funding will be reduced by half in 2025/26, and then withdrawn completely from 2026/27.

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 2022/23 this gave a minimum balance of £3.05m. It is assumed that it will need to continue to be at around that level.

We are forecasting that our General Fund reserves at the start of 2023/24 will be £9.5m. We will plan to use our reserves to continue deliver our existing services for as long as is financially viable, to support our residents through the current economic conditions. That means using a proportion of our General Fund reserves and the £3m released from the Business Rates grant reserve. In planning our future budgets we need to make sure that we stay safely 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 five years.:

£ thousands	2023/24	2024/25	2025/26	2026/27	2027/28
General Fund balance at the start of the year	9,554	9,554	9,554	9,196	8,593
Less: How much we plan to spend during the year on existing services (before making savings)	17,223	17,350	17,376	17,244	16,918
Less: provision for additional Covid-19 costs	810	0	0	0	0
Add: Our expected funding during the year	15,883	16,326	16,092	15,841	16,220
Add: other reserves that we plan to use to fund our expenditure	1,950	724	326	0	0
Add: additional net savings that we need to deliver *	200	300	600	750	750
Equals: General Fund balance at the end of the year	9,554	9,554	9,196	8,543	8,545

* These are the additional savings that need to be delivered in each year. Over the five year period the cumulative annual savings that will be required are **£2.6 million**.

Addressing our funding gap

The table above shows savings that we need to deliver to achieve a balanced budget by 2027/28. 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 fewer 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 and government policy. We also need to make sure that these activities are in line with our priorities.
- Reducing the level of services that we provide, or no longer providing 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 offset by increases in the savings that we deliver.

We have carried out a budget challenge process to identify the areas where we are most able to make savings through service reductions. We will revisit that work when we have greater certainty over our future funding, or if it becomes apparent that we cannot sustain the current strategy until that point. We will use public consultation to support our decisions on which services we should prioritise.

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 fairly low. Over the next few years we will 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 charge a Minimum Revenue Provision (MRP). A MRP charge is a revenue cost that spreads the cost of unfunded (i.e. not met from capital receipts or grant funding) capital expenditure over the life of the Councils assets, so that over time capital expenditure is fully funded. The life of the assets will be assumed to be 40 years, so for unfunded capital expenditure of £40m there would be a revenue cost of £1m per year for 40 years. In the longer term we will also have to fund borrowing costs too. 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.

Previously, we have made an assumption that we will dispose of our surplus land at the best price attainable (subject to the purchaser adhering to all planning conditions). Under our climate change strategy, we have committed to dispose of surplus land so to enable the building of 'greener' housing. It is estimated that this will result in a reduction in value of around 10% based on a high standard of sustainable housing.

ANNEX 1 Other Budget Assumptions

- Investment income is based on cashflow projections and a 1.79% 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.
- 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 taxpayers.
- 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.

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CABINET

13 September 2022

*PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: PROPOSED INCREASE IN CAR PARKING TARIFFS 2022-23

REPORT OF: SERVICE DIRECTOR - REGULATORY

EXECUTIVE MEMBER FOR PLANNING & TRANSPORT: COUNCILLOR RUTH BROWN

COUNCIL PRIORITY: ENABLE AN ENTERPRISING AND CO-OPERATIVE ECONOMY

1. EXECUTIVE SUMMARY

1.1 This report requests that Cabinet agrees:

- (i) the proposed car parking tariffs in North Hertfordshire Council's off street car parks in order to effectively manage their use, and in accordance with the Council's fees and charges policy as set out in the Medium Term Financial Strategy (MTFS).
- (ii) the policy proposal that all visitors must obtain a parking ticket for a subsidised parking session when offered whilst parking within the Council's car parks. This will enable officers to fully understand the usage data during these periods and will provide an evidence base against which future subsidised requests can be assessed fairly for all parties.

2. RECOMMENDATIONS

- 2.1 That Cabinet agrees to adopt the proposed off-street car park tariffs for 2022/23 as set out in Tables 1 to 7 at Appendix A.
- 2.2 That Cabinet agrees not to increase the charges for Season Tickets for each of its long stay car parks or business permits for its car park at St. Martins Road in Knebworth for 2022/23
- 2.3 That Cabinet agrees not to increase the charges for resident permits, visitor permits, business permits or visitor tickets for resident permit zones for 2022/23.
- 2.4 That Cabinet agree that the proposed tariff changes, as recommended in paragraphs 2.1 above, are implemented as soon as practicable, and that officers in consultation with the Executive Member and Deputy for Planning and Transport proceed with the implementation as required.
- 2.5 That Cabinet agree to the policy of customers obtaining tickets for subsidised parking sessions when offered whilst parked within the Council operated car parks .
- 2.6 That Officers proceed with the necessary amendments to the Off- Street Parking Traffic Regulation Orders as required to implement changes recommended above, and that officers in consultation with the Executive Member and Deputy for Planning and Transport proceed with the implementation as required.

3. REASONS FOR RECOMMENDATIONS

- 3.1 To implement an increase in car parking tariffs in order to effectively manage their use and in accordance with the Council's fees and charges policy as set out in its Medium Term Financial Strategy (MTFS). To set car parking tariffs that support the achievement of modal shift away from private car use and to help support the vitality of town centres.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 See Section 8 of the report for proposed increases to car parking tariffs within the Council car parks and to introduce measures to accurately record subsidised parking arrangements.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 The Executive Member and Deputy for Planning and Transport has been involved in discussions and selection of tariffs and kept informed on these matters. The Executive Member for Finance has also been informed.
- 5.2 Town Centre and BID Mangers for each of the towns, Royston Town Council, Knebworth Parish Council and Chairs of the Area Committees were informed and invited to offer their views on the proposed tariff options as set out in Section 8 of the report. Comments received from these organisations will be collated and either verbally reported to Cabinet or included within an addendum report.

6. FORWARD PLAN

- 6.1 This report contains a recommendation on a key decision that was first notified to the public in the Forward Plan on 7 June 2022.

7. BACKGROUND

- 7.1 The Council's approved Medium-Term Financial Strategy for 2021-26, sets a budget assumption that the Council should increase parking fees and charges annually by 2%. It made it clear that parking charge levels are mainly set to manage demand and reflective of the cost of alternative parking locations. The budget estimates for 2022/23 include the expectation that income from parking will increase by 2%. Any variance of this would be reported through budget monitoring processes.
- 7.2 Paragraph 5.6.30 of the Council's Constitution, states '*it is for cabinet to determine charges for car parking*'. The proposals for car parking tariffs and season ticket increases are set out sections 8 and 9 below.

8. RELEVANT CONSIDERATIONS

8.1 Car Park Tariff Proposals

- 8.1.1 Parking Tariffs were last increased by Cabinet in March 2021 for 2021/22. These were not implemented until October 2021, affording the town centres more time to recover following the easing of the pandemic lockdown restrictions over the summer of 2021. A copy of the

16 March 2021 Cabinet report can be viewed on the Councils website. (See link at para 17.2 below)

8.1.2 The proposals for 2021/2022 also included the 2020/21 inflationary budget estimate for car parking charges which were not implemented due to Coronavirus. In summary, the 2021/2022 tariff increase included inflationary increases to:

- the 2, 3 and 4+ hour tariff bands with increases being rounded to the nearest 5p across all Council operated car parks,
- a nominal increase in the after 3pm off-peak tariff band in all Hitchin Car Parks,
- an increase in season tickets for all long stay car parks, and
- an increase in business permits in the car park at Knebworth.

It was agreed by Cabinet that the one hour tariff bands remained untouched across all car parks in all four towns and Knebworth, these remained at the 2019/20 pre-pandemic prices.

8.1.3 In order to enable local businesses to further recover from the pandemic it was previously agreed that the Council would delay the inflationary tariff increases for 2022/23 until later this year. In accordance with the Council's Medium Term Financial Strategy (MTFS) Officers', subject to approval by Cabinet, are currently working towards proposals for implementation during the latter part of 2022/2023 and into 2023/24 (i.e. from October 2023 to Sept 2024) which will include a proposed inflationary tariff increase of 2%. Transaction data has been analysed to estimate the impact of adjusting individual tariffs.

8.1.4 The proposed 2% further inflationary uplift for 2022/23 is estimated to increase income by £40,000, taking the August 2021 to July 2022 income figures as the baseline on ticket sales. This baseline is considered to be reasonable following the further lifting of the lockdown restrictions. Three tariff options have been considered:

Option One:

8.1.5 To increase all tariff bands by 2% rounded to the nearest 5p in all Council operated car parks in each of its towns and Knebworth, with the exception of the subsidised free after 3pm off-peak parking incentive in Royston. This resulted in a potential surplus (additional increase above inflation) of circa £23k and was dismissed given the potential impact on the vitality of the town centres as they continue to recover post the pandemic.

Option Two:

8.1.6 To meet most of the inflationary target by:

- (i) Applying a 10p increase to the one hour tariff bands across all Council operated off-street car parks in Hitchin, Letchworth, Royston and Knebworth including the after 3pm one hour tariff band in all Hitchin car parks. This excludes the Twitchell car park in Baldock, as Baldock only has one car park with a 3hour and all day tariff band. This one hour tariff band has remained unaltered since 2019/20 as reported at para 8.1.2 above.

It is noted that the proposed 10p increase for the 1 hour tariff band in the Lairage MSCP in Hitchin creates an anomaly with a 5p gap between the 1 and 2 hour tariff bands. It is therefore proposed that the Council revert to the previous 0-2 hour tariff band which is to be retained at £1.25.

In terms of the off-peak incentives after 3pm parking in Hitchin this proposal will:

- increase the one hour tariff from £1.40 to £1.50 in the short stay car parks and will be a flat rate irrespective of whether visitors park for one or more hours after 3pm.
 - increase the one hour stay from £1.10 to £1.20 in the long stay car parks, and the two to three hour stay tariff will remain unaltered.
- (ii) Retaining the off-peak incentive after 3pm in Royston, where the subsidised full 'free after 3pm' policy in all Royston car parks will be retained until such time as this policy is reviewed, such as in light of the Hertfordshire County Council Sustainable Travel Town Initiative¹.
- (iii) Retaining all other tariff bands as per the current 2021/22 prices across all car parks.

The above tariff increase proposals would be applied to all North Herts car parks in Hitchin, Letchworth Garden City, Royston and Knebworth as shown at Tables 1 to 5 at [Appendix A](#).

8.1.7 It is estimated that this option would increase overall parking revenue by 1.93% only slightly less than 2% based on the current composition of demand for each tariff. (i.e. a shortfall of circa £1,900). This estimate however does not consider any consequent positive impact on the demand for the 2 hour tariff from this option, the relative value of which would increase.

8.1.8 This option is the officers' preferred option as these proposals would be in accordance with the Council's policy in terms of:

- supporting the economic vitality of the town centres by retaining the current 2021/22 - 2hr, 3hr and 4+ hr tariff bands to encourage people to stay longer by increasing the 1hr tariff band by a nominal 10p; and
- adopting a consistent approach across all car parks within each town whilst respecting their separate identities.

Option Three:

8.1.9 To increase all tariff bands by 5p in all Council operated car parks in each of its towns and Knebworth, with the exception of the subsidised free after 3pm off-peak parking incentive in Royston. This resulted in a potential surplus of circa £5k. While this option would meet the target, it was dismissed on the grounds that the 2+ hour tariff bands were significantly increased previously and the Council would prefer to encourage people to stay longer within the town centres to support their vitality, again as local businesses continue to recover post the pandemic.

8.1.10 Under each of these options it is not proposed to increase Season Tickets prices in the Council's long stay car parks or to increase Business Permits in St. Martins Road car park in Knebworth. (Tables 6 and 7 at [Appendix A](#)). There has been a reduction in the take up of Business Permits given the change in employer habits over the pandemic with more people continuing to work from home and commuting less into their place of work. Officers will continue to monitor the uptake over the coming year and in consultation with the Exec Members for Finance and for Planning & Transport may consider reviewing its approach going forward including the requirement to adjust the overall budget.

¹ The HCC Sustainable Travel Town Initiative is a concept being promoted by HCC through their LTP4 which seeks to promote more active and sustainable modes of travel and includes implementing measures to reduce car travel.

8.2 Off-peak parking incentives

- 8.2.1 As part of the Car Parking Tariff Report considered by Cabinet on 16 March 2021 the following recommendation was agreed:

“(7) That delegated powers be granted to the Service Directors – Regulatory and Resources in consultation with the Executive Members and Deputy for Planning and Transport and for Finance and IT to consider and agree requests for subsidised parking within the council operated car parks.”

- 8.2.2 From an operational perspective and in order for the Council to be more transparent in terms of agreeing subsidised parking requests, especially in the case of subsidising a free session offered to the customer, it is proposed that customers are required to obtain a ticket for the duration of their parking session. This will enable officers to fully understand the usage data during these periods and will provide an evidence base against which future subsidised requests can be assessed and agreed in accordance with the Council's adopted Parking Strategy.
- 8.2.3 This will require an amendment to the current Off-street Parking TRO in order to be legally compliant.

8.3 Resident Permits, Evening, Sunday and Bank Holiday Charging.

- 8.3.1 Following discussion with the Executive Member and Deputy for Planning and Transport there is no proposal to increase resident, business or visitor permits and visitor ticket books for each of the Council's resident permit parking zones across the District for 2022/23 or to introduce Evening, Sunday and Bank holiday charging at this point in time. The Council is currently breaking even and on target with its resident permit scheme. Officers are in the process of reviewing all types of parking permits offered, both on street and off street. The outcome of this review will be reported once the feasibility study on alternative methods of payment has been completed. The outcome of the permit review could include the introduction of non-resident permits in some zones, or the possibility of limiting the number of permits and/or increasing the cost for additional permits as a means of seeking to control the demand for permits and reduce car ownership in more sustainable locations across the towns as set out in the Council's adopted Car Parking Strategy. Consideration could also be given to offering a special permit within the Council off Street long stay car parks where there is available capacity, be this for town centre residents, voluntary organisations or offering an incentive for low carbon vehicles on Season Tickets.
- 8.3.2 The introduction of Evening, Sunday and Bank holiday charging will need to form part of a wider policy review, in terms of managing the volume and type of off-street parking and on-street parking in surrounding streets, whilst encouraging people to use more active and sustainable forms of transport, as well as assessing any likely impact on the vitality and viability of the town centres. Given the This will be reported following the completion of the permit review.

8.4 Officer summary

- 8.4.1 This report to Cabinet is concerned with presenting a tariff structure that seeks to manage car park usage and reflect inflationary cost pressures as determined by the budget estimates for 2022/2023 and its implementation as soon as possible in this financial year. Following discussion with the Executive Member and Deputy for Planning and Transport it is the officer recommendation that Cabinet consider and agree the tariff increases as proposed at *Option Two*. These proposed tariff increases are set out in Tables 1 to 5 for each town at Appendix A attached to this report.

- 8.4.2 This report also seeks to review the off- peak parking subsidy policies, where the proposal is that customers are required to obtain a ticket so the Council can monitor the usage during these periods which in turn will provide an evidence base against which future subsidised requests can be assessed. Following discussion with the Executive Member and Deputy for Planning and Transport it is the officer recommendation that Cabinet consider and agree this policy review.

9. LEGAL IMPLICATIONS

- 9.1 Under the Terms of Reference for Cabinet, paragraph 5.6.30 of the Constitution states that the Cabinet should by way of resolution determine charges for car parking.
- 9.2 The proposed tariff changes will be required to be published as a Notice of Variation to the North Hertfordshire District Council (Off-Street Parking Places) Order 2014, and to the North Hertfordshire District Council (Off- Street) (Knebworth) (Amendment) Order 2012 in the local papers under Section 35C of the Road Traffic Regulation Act 1984 and in compliance with Section 25 of part V of the Local Authorities' Traffic Orders (Procedure) (England and Wales) Regulations 1996. Such Notice of Variation will give a minimum of 21 days notice of when the new parking tariffs will be implemented. Site notices will be displayed in all affected car parks.
- 9.3 The proposed inclusion of customers obtaining a ticket for any subsidised parking session will require an amendment to the North Hertfordshire District Council (Off-Street Parking Places) Order 2014, the North Hertfordshire District Council (Off-Street Parking Places) (Baldock) No.2 Order 2014 and to the North Hertfordshire District Council (Off- Street) (Knebworth) (Amendment) Order 2012 and any other North Hertfordshire Off Street Order considered relevant. Such amendments will accord with the Local Authorities' Traffic Orders (Procedure) (England and Wales) Regulations 1996.

10. FINANCIAL IMPLICATIONS

- 10.1 The budget for 2022/23, approved by Full Council in February 2022, includes estimated additional income from inflation to the Council of £47k for parking tariffs.
- 10.2 The Council's policy with regard to parking fees and charges is that an inflationary increase of 2% will be applied annually. This is for modelling purposes and the actual increase is considered each year. For 2022/23 the forecast increase in income is £40.4k from pay-as-you-use income charges and £6.3k from the sale of car park season tickets.
- 10.3 The approach taken, and assumptions made in estimating the financial impact of the proposed pay-as-you-use tariff structure, as laid out in Tables 1 to 3 and 5 at Appendix A, are explained in the body of this report. While the actual impact on parking activity from the proposed tariff structure is unknown, particularly with the recovery from the pandemic over the last 12 months where the income estimates derived are based on the usage figures from August 2021 to July 2022 and have been adjusted to reflect the income expectation in relation to ad-hoc parking charges within the approved budget for 2022/23. A separate budget adjustment for the continuing impact from Covid-19 recovery will be made relating to the usage.
- 10.4 The intended retention of the full 'free after 3pm' policy in all Royston car parks is estimated to have an adverse impact of approximately £11k on the total income estimate, but this will continue to be subsidised by an annual contribution from Royston First BID, Royston Area Committee and County Councillor Hertfordshire Locality Budgets, and will be reassessed as part of the requirements to obtain a ticket as proposed under paragraph 8.2.

- 10.5 There is a budget set-aside for the cost of implementing the proposed tariff increases including publishing the notices, advertising the increased car parking tariffs in the local press, amending tariff boards and making adjustments to the car park payment machines.
- 10.6 The work required to amend the Off Street Traffic Regulation Order in relation to the introduction of a possible tariff structure for EV Bays and the requirements for customers to obtain and display a parking ticket for any subsidised parking session will be funded from existing budgets and reserves.
- 10.7 Work on preparing a business case on alternative methods of payment and review of the Council's permit scheme will be undertaken by officers and where additional technical/consultant expertise is required will be funded from existing budgets and reserves.

11. RISK IMPLICATIONS

- 11.1 The risks to car parking income have been considered as part of the assessment. The recommendations have been made whilst acknowledging that there is a financial risk that the review of tariff structure might not produce the estimated income and could result in downward trend in parking sales, as observed at the end of 2020/21 and 2021/22 as a result of the pandemic. In particular with regard to the sale of Season Tickets. Car parking usage and income is continually monitored throughout the year, including as part of the regular revenue monitoring reports.

12. EQUALITIES IMPLICATIONS

- 12.1 In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2 There are no direct equality issues arising from this report. There is a range of charging/payment options which will still remain available to cater for the widest needs of local car park users. The realignment of the tariffs seeks to improve turnover and usage throughout day thereby supporting the town centre businesses and benefit the economy of North Hertfordshire. Amidst the slight increases, season tickets in long stay car parks, resident permits, visitor permits, business permits or visitor tickets for resident permit zones remain the same and the after 3pm subsidy in Royston continues for their benefit.

13. SOCIAL VALUE IMPLICATIONS

- 13.1 As the recommendations made in this report do not constitute a public service contract, the measurement of 'social value' as required by the Public Services (Social Value) Act 2012 need not be applied, although equalities implications and opportunities are identified in the relevant section at Paragraph 12.

14. ENVIRONMENTAL IMPLICATIONS

- 14.1 The NHDC parking strategy seeks to minimise environmental impacts where possible in regard to Off-street parking. As noted at paragraph 8.1.6 there may be further reduction in car travel with the implementation of the Hertfordshire County Council Sustainable Travel Town Initiative in some areas.

15. HUMAN RESOURCE IMPLICATIONS

- 15.1 There are no new human resource implications arising from the contents of this report. Officers will be responsible for implementing the new tariffs, undertaking the necessary amendments to the Traffic Regulation Orders, preparing the business case for alternative methods of payment alongside appointed consultants as well as progressing with the permit review project.

16. APPENDICES

- 16.1 Appendix A: Proposed 2022/2023 Inflationary Tariff Increases for NHC Off-Street Managed Car Parks

16. CONTACT OFFICERS

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17. BACKGROUND PAPERS

- 17.1 North Hertfordshire District Council Parking Strategy 2019 - 2031(adopted January 2019)
<https://www.north-herts.gov.uk/home/parking/parking-strategy>
- 17.2 Cabinet Report 16 March 2021 – Proposed Increase in Car Parking Tariffs 2021-22 Item Ref 112
[Agenda for Cabinet on Tuesday, 16th March, 2021, 7.30 pm | North Herts Council \(north-herts.gov.uk\)](#)

- 17.3 Appendix A – North Herts Council Climate Change Strategy: Proposed Actions 2021-2026 (adopted March 2021) [NHDC-294 NHDC Climate change Strategy 21-26 Appendix A.pdf \(north-herts.gov.uk\)](#)

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Proposed 2022/2023 Inflationary Tariff Increases for NHC Off-Street Managed Car Parks

[Note: red font shows proposed tariff increases]

Table 1 - Hitchin

Car Park		Duration / hours	2021/22 Current Tariff Prices	2022/2023 Tariff Prices including proposed increases
Bancroft	Standard tariffs	1	£1.10	£1.20
		2	£2.40	£2.40
		3	£3.10	£3.10
		Over 3hrs	£5.15	£5.15
	Post 3pm Tariffs	1	£1.10	£1.20
		2 -3	£1.40	£1.40
Biggin Lane	Standard tariffs	1	£1.30	£1.40
		2	£2.60	£2.60
		3	£4.15	£4.15
		4	£5.70	£5.70
	Post 3pm Tariffs	Flat Rate	£1.40	£1.50
Christchurch	Standard tariffs	1	£1.30	£1.40
		2	£2.60	£2.60
		3	£4.15	£4.15
		4	£5.70	£5.70
	Post 3pm Tariffs	Flat rate	£1.40	£1.50
Lairage MSCP	Standard tariffs	1*	£1.10	£1.20*
		0-2	£1.25	£1.25
		3	£2.30	£2.30
		Over 3 Hrs	£4.55	£4.55
	Post 3pm Tariffs	Up to 2hrs	£1.10	£1.20
		3	£1.30	£1.30
* For Lairage MSCP 1 hour Tariff to be deleted and included in 2 hour tariff				

Car Park		Duration / hours	2021/22 Current Tariff Prices	2022/2023 Tariff Prices including proposed increases
Portmill East	Standard tariffs	1	£1.30	£1.40
		2	£2.60	£2.60
		3	£4.15	£4.15
		4	£5.70	£5.70
	Post 3pm Tariffs	Flat Rate	£1.40	£1.50
Portmill West	Standard tariffs	1	£1.30	£1.40
		2	£2.60	£2.60
		3	£4.15	£4.15
		4	£5.70	£5.70
	Post 3pm Tariffs	Flat rate	£1.40	£1.50
St Mary's Square	Standard tariffs	1	£1.30	£1.40
		2	£2.60	£2.60
		3	£4.15	£4.15
		4	£5.70	£5.70
	Post 3pm Tariffs	Flat rate	£1.40	£1.50
Woodside	Standard tariffs	1	£1.10	£1.20
		2	£2.40	£2.40
		3	£3.10	£3.10
		Over 3hrs	£5.15	£5.15
	Post 3pm Tariffs	1	£1.10	£1.20
		2-3	£1.30	£1.30

Table 2 - Letchworth

Car Park		Duration / hours	2021/22 Current Tariff Prices	2022/2023 Tariff Prices including proposed increases
Hillshott		1	£0.70	£0.80
		2	£1.55	£1.55
		3	£2.50	£2.50
		Over 3hrs	£5.05	£5.05

Car Park		Duration / hours	2021/22 Current Tariff Prices	2022/2023 Tariff Prices including proposed increases
Garden Square MSCP Short Stay		1	£0.70	£0.80
		2	£1.55	£1.55
		3	£2.50	£2.50
		4	£4.55	£4.55
Garden Square MSCP Long Stay		1	£0.70	£0.80
		2	£1.55	£1.55
		3	£2.50	£2.50
		Over 3hs	£5.05	£5.05
Norton Common Bowling Club		2	£0.00	£0.00
		4	£1.75	£1.75
		5	£4.85	£4.85
Norton Common Swimming Pool		2	£0.00	£0.00
		4	£1.75	£1.75
		5	£4.85	£4.85
Letchworth Town Hall		1	£1.10	£1.20
		2	£2.05	£2.05
		3	£3.30	£3.30
		4	£5.05	£5.05

Table 3 Royston

Car Park		Duration / hours	2021/22 Current Tariff Prices	2022/2023 Tariff Prices including proposed increases
Angel Pavement	Standard tariffs	1	£0.60	£0.70
		2	£1.55	£1.55
		3	£3.85	£3.85
	Post 3pm Tariffs	1	£0.00	£0.00
		2	£0.00	£0.00
		3	£0.00	£0.00

Car Park		Duration / hours	2021/22 Current Tariff Prices	2022/2023 Tariff Prices including proposed increases
Civic Centre	Standard tariffs	1	£0.60	£0.70
		2	£0.85	£0.85
		3	£1.15	£1.15
		Over 3hrs	£3.50	£3.50
	Post 3pm Tariffs	1	£0.00	£0.00
		2	£0.00	£0.00
		3	£0.00	£0.00
Market Place	Standard tariffs	1	£0.60	£0.70
		2	£1.55	£1.55
		3	£3.85	£3.85
	Post 3pm Tariffs	1	£0.00	£0.00
		2	£0.00	£0.00
		3	£0.00	£0.00
Princes Mews	Standard tariffs	1	£0.70	£0.80
		2	£1.55	£1.55
		3	£5.05	£5.05
		Over 3hrs	£7.65	£7.65
	Post 3pm Tariffs	1	£0.00	£0.00
		2	£0.00	£0.00
		3	£0.00	£0.00
Priory Gardens	Standard tariffs	1	£0.60	£0.70
		2	£1.55	£1.55
		3	£3.85	£3.85
	Post 3pm Tariffs	1	£0.00	£0.00
		2	£0.00	£0.00
		3	£0.00	£0.00
The Warren	Standard tariffs	1	£0.60	£0.70
		2	£1.35	£1.35
		3	£1.85	£1.85
		3+	£3.95	£3.95
	Post 3pm Tariffs	1	£0.00	£0.00
		2	£0.00	£0.00
		3	£0.00	£0.00

Table 4 Baldock

Car Park		Duration / hours	2021/22 Current Tariff Prices	2022/2023 Tariff Prices including proposed increases
The Twitchell		3	£1.25	£1.25
		3+	£1.65	£1.65

Table 5 Knebworth

Car Park		Duration / hours	2021/22 Current Tariff Prices	2022/2023 Tariff Prices including proposed increases
St Martin's Road		30 mins	£0.30	£0.30
		1	£0.60	£0.70
		2	£1.55	£1.55
		3	£2.15	£2.15
		4	£4.35	£4.35

Table 6 Season Tickets

All Long Stay Car Parks	2021/22 Current Season Ticket Prices	2022/23 Prices
1 month	£87.00	£87.00
3 months	£215.00	£215.00
6 months	£399.00	£399.00
12 months	£740.00	£740.00

Table 7 Business Permits – St. Martins Road Car Park

St. Martins Road Car Park, Knebworth	2021/2022 Current Business Permit Charge	2022/23 Prices
Six months	£156.00	£156.00
Twelve months	£260.00	£260.00

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CABINET 13 SEPTEMBER 2022
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*PART 1 – PUBLIC DOCUMENT

INFORMATION NOTE ON ASYLUM DISPERSAL AND REFUGEE RESETTLEMENT SCHEMES

INFORMATION NOTE OF THE STRATEGIC HOUSING MANAGER

EXECUTIVE MEMBER CLLR SEAN PRENDERGAST

PRIORITY: PEOPLE FIRST

1. SUMMARY

- 1.1 To inform Cabinet of the regional allocations for the dispersal of asylum seekers recently issued by the Home Office and to provide an update on refugee resettlement schemes.

2. STEPS TO DATE

- 2.1 This update has been requested by Cllr Sean Prendergast due to recent announcements by the Home Office.

3. INFORMATION TO NOTE

Asylum dispersal

- 3.1 Asylum seekers entering the UK and who do not have any other means of support are typically accommodated initially in reception centres and hotels before being moved to longer-term dispersal accommodation whilst they await the outcome of their asylum claims. Dispersal accommodation is usually in the private rented sector and is managed by accommodation providers on behalf of the Home Office.
- 3.2 Dispersal accommodation has historically been concentrated in a few regions in England, and in Wales and Scotland, and the government is working to move to a fairer distribution across the country. To this end, the Home Office announced in Spring of this year that all local authority areas in England, Scotland and Wales would be expected to participate in a new system of “full dispersal” of asylum accommodation. Under this model, the Home Office will be procuring private rented sector housing across all local authority areas for use as dispersal accommodation, in line with new regional allocations.
- 3.3 The Home office has now issued regional allocations for the full dispersal model, based on an illustrative planning number of 100,000 asylum seekers in dispersed and core initial accommodation throughout the UK by December 2023 and a gradual alignment of the share of asylum seekers housed in each region (this is caveated by acknowledgement that there remains uncertainty around future intake and associated accommodation demand and that all parties therefore need to remain flexible). The allocation for the East region as a whole is 5,200 bedspaces by the end of December 2023.

- 3.4 Strategic Migration Partnerships – locally, the East of England Local Government Association (EELGA) - have been asked to agree a breakdown of regional allocations down to local authority level and formulate these into Local Level Plans for early September 2022. The EELGA have proposed initial local authority allocations, which for **North Hertfordshire is 97 individuals by the end of December 2023**, based on a straight percentage share of 0.07% of each authority's total population. The Council is currently working with colleagues across the county to agree a view on these initial allocations and we will also need to urgently establish our responsibilities (if any) for procuring accommodation, providing wrap-around care or facilitating access to services etc. It is unlikely that the initial allocations will be reduced given that the only way to do so would be to gain the agreement of another county in the region to take on additional placements.
- 3.5 Locally (and indeed across Hertfordshire generally) affordable private rented accommodation is scarce and in high demand so, regardless of agreed allocations, it is far from clear how the Home Office would procure the necessary amount of suitable dispersal accommodation. It will nonetheless put additional pressure on our private rental market, further reducing availability for local people facing homelessness, and potentially leading to upward pressure on rents. There will of course be similar additional demands on other local services which will also need to be absorbed.

Refugee resettlement schemes

- 3.6 Over recent years, the government has put in place various resettlement schemes to provide safe and legal pathways to enable refugees to settle in the UK. The schemes have evolved as new global crises have developed and the most prominent schemes currently in operation are the UK Resettlement Scheme and Afghan resettlement schemes. These schemes rely upon local authorities - coordinated via regional Strategic Migration Partnerships - to provide offers of suitable accommodation in response to requests from the Home Office. The Home Office is responsible for liaising with the UN High Commissioner for Refugees and other international partners to identify candidates according to agreed criteria/priorities and arrange for their resettlement in the UK.
- 3.7 The UK Resettlement Scheme (UKRS) consolidated and replaced a number of older schemes including the Vulnerable Persons Resettlement Scheme, under which the Council fulfilled a commitment to resettle ten Syrian families (50 individuals) in social housing in the district. Properties were provided by settle, First Garden Cities Homes and Clarion Housing (in addition, the St Mary's Church, Baldock has housed a Syrian family via the Community Sponsorship Scheme). The full cost of the resettlement was met by the Home Office. We are in the process of accommodating a further two Syrian families (10 individuals) in the coming months to meet our latest commitment under the UKRS.
- 3.8 Following the withdrawal of US and UK troops from Afghanistan last year, there are two formal refugee routes into the UK for Afghan nationals: the Afghan Citizens' Resettlement Scheme and the Afghan Relocation and Assistance Policy. Along with other Hertfordshire authorities, the Council committed to helping resettle Afghan refugees and in 2021/22 we housed two Afghan families (10 individuals) in properties provided by settle. Further pledges of resettlement assistance for refugees have been requested of all local authorities by the Minister of State for Refugees, Lord Harrington and the Council confirmed the imminent delivery of its commitment to resettle a further 10 Syrian refugees, as paragraph 3.7 above.
- 3.9 The Government has adopted a different approach in order to assist those fleeing the conflict in Ukraine, with community sponsors offering accommodation directly under the

Homes for Ukraine scheme. Under the scheme, sponsors (which may be individuals, charities or community groups) are able to nominate a named Ukrainian individual or family to stay with them in their home or in a separate property. In return for providing accommodation for a minimum of six months, sponsors will receive £350 per month. The Ukrainian applicant(s) and/or the sponsor are responsible for completing the visa application process. All arrangements under the scheme are administered and managed by Herts County Council, with the exception of property checks which the Council's Environmental Health service is responsible for.

- 3.10 Latest figures show that there are over 150 families who have been matched with hosts in the district (with over 250 individuals confirmed to have arrived). The initial six-month sponsorships are beginning to come to an end, with a clear potential for an increase in homelessness presentations to the Council. National and local surveys are suggesting that about one-quarter of sponsorships could end at the six month point as hosts had not anticipated participating beyond this period, require their accommodation for other purposes or increasingly, are worried about cost-of-living increases. Additionally, an unknown number of Ukrainian households may have joined family members in the UK through the Family Scheme, for which data are not collected.
- 3.11 We have also been approached by four Ukrainian households to date due to sponsorship arrangements having broken down or been unsuitable and are currently accommodating one of these households in temporary accommodation despite several offers of re-matches via Herts County Council.

4. NEXT STEPS

- 4.1 Although the detail concerning some of these schemes is yet to be known, the collective impact could add significantly to the existing district demand for housing assistance (a broader housing update was published in the Members Information Service bulletin of 26 August 2022). A further cabinet report will be produced as and when further details emerge, and the Council is required consider a decision.
- 4.2 With regards asylum dispersal, the EELGA is due to submit its Local Level Plan with agreed local authority allocations to the Home Office by 6 September 2022. Meetings with county colleagues are ongoing at the time of writing and a final meeting of East of England Chief Executive Officers will be held on 2 September 2022. Early discussions with Hertfordshire local authorities indicate:
- Hertfordshire local authorities will face difficulty absorbing the Home Office allocation due to challenges in the local housing market, including affordability and existing demands from residents
 - If asylum seekers are placed in the county by the Home Office as proposed, all Hertfordshire local authorities to consider pooling of associated funding at a county level to source a single support service

As the initial local authority allocations of asylum seeker dispersals are likely to increase further due to growing migrant levels, the Council will share its concerns with local MPs, highlighting the potential impact on the local housing market and existing housing demands in the district.

- 4.3 The situation regarding Ukrainian households is constantly evolving with county-level activity around re-matching, supporting guests to find new hosts or alternative accommodation, community integration and support to increase/prolong the success of sponsorships. As with any household, the homelessness legislation can provide a safety net for some, however it has shown to negatively impact long term outcomes for

families and every effort should be made to avoid it whenever possible and the Council is working with other Herts housing authorities to monitor the situation and share best practice.

5. APPENDICES

5.1 None.

6. CONTACT OFFICERS

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7. BACKGROUND PAPERS

7.1 None.

CABINET 13 SEPTEMBER 2022
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*PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: DRAFT DEVELOPER CONTRIBUTIONS SPD

REPORT OF: IAN FULLSTONE, SERVICE DIRECTOR - REGULATORY

EXECUTIVE MEMBER: CLLR. RUTH BROWN, EXECUTIVE MEMBER FOR PLANNING & TRANSPORT

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

1. EXECUTIVE SUMMARY

- 1.1 The Council is preparing a new Local Plan which will shape development in the District to 2031. To provide additional detail on planning policies and sites, the Council can produce Supplementary Planning Documents (SPD) to provide clarity to applicants and case officers when determining planning applications.
- 1.2 Cabinet has previously made decisions relating to (i) the nature of the SPDs that shall be produced to support the new Local Plan and (ii) the future approach to seeking developer contributions from new developments towards affordable housing, infrastructure and other matters.
- 1.3 The Developer Contributions SPD is the first of the proposed SPDs supporting the emerging Local Plan. Cabinet is asked to note the contents of the draft SPD (as updated) and approve a five-week public consultation which will inform any final version of the document.

2. RECOMMENDATIONS

- 2.1. That the draft Developer Contributions SPD, attached as Appendix A to this report, be endorsed and approved for a five-week public consultation.

3. REASONS FOR RECOMMENDATIONS

- 3.1. To allow the Developer Contributions SPD to be progressed so that it may be adopted at the same time as, or shortly after, any future decision to adopt the new Local Plan.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. The Council could retain the existing Planning Obligations SPD and / or delay consultation upon this latest draft. However, the current SPD dates from 2006 and is not reflective of the emerging Local Plan policies or national planning policy and guidance. Officers therefore consider it important that a revised SPD is prepared. The draft SPD

has been updated to reflect relevant changes since Cabinet last considered this emerging document in July 2021.

- 4.2. Officers have previously given consideration to alternate approaches to the collection of developer contributions, namely the potential to prepare and adopt a Community Infrastructure Levy (CIL) for the District. On 16 March 2021, Cabinet resolved not to pursue the preparation of a Community Infrastructure Levy for the District at this time. This was due to a variety of factors including:

- the risk to the Council given the proposed national levy by Government that could render any preparatory works and costs abortive.
- the time and resource implications of meeting the statutory implementation requirements and developing the necessary administrative infrastructure (the Council would need to forward fund these given that the relief of administration costs can only commence once the CIL is implemented and collected.)
- the largest sites (which form the significant majority of anticipated future development in terms of dwelling numbers, albeit from a relatively small number of planning applications) would still require s106 legal agreements even if a CIL were pursued.
- The proposed revisions to the programme of SPDs and associated evidence base above would significantly enhance the Council's ability to negotiate effective legal agreements on new development and bring significant benefit in this regard.

- 4.3. Since this decision was taken, the Government has committed further to the introduction of a new 'Infrastructure Levy' (IL) in the Levelling-up and Regeneration Bill. This would be a mandatory rather than optional levy based on a percentage of the final Gross Development Value (GDV). At this stage there is inherent uncertainty over the operation and timescales for introduction of the Infrastructure Levy, with a consultation expected in the coming months. It is anticipated that, even under an IL regime, there will still be a requirement / role for site-specific Section 106 legal agreements, particularly on larger development sites.

- 4.4. This morphing, yet uncertain, national policy context coupled with the number of forthcoming sites allocated in the emerging Local Plan still necessitates the pressing need to have an up-to-date adopted Developer Contributions SPD.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1. The Executive Member for Planning and Transport has been briefed on the matters set out above.
- 5.3. Internal and external consultation with relevant officers across Council departments, Hertfordshire County Council and the NHS have been involved in developing the draft SPD, including in relation to the most recent updates.
- 5.4. An initial public consultation on the SPD was carried out in 2020.

6. FORWARD PLAN

- 6.1 This report relates to a key decision that was first notified to the public in the Forward Plan on 29 July 2022.

7. BACKGROUND

- 7.1. Developer contributions can be used to make a development acceptable but should only be used where unacceptable impacts cannot be dealt with by planning conditions. Legal tests must be applied to any planning obligations sought, and this is outlined in Community Infrastructure Levy Regulations 2010 (as amended) and in paragraph 57 of the NPPF. Any contributions must be: a) necessary to make the development acceptable in planning terms; b) directly related to the development; and c) fairly and reasonably related in scale and kind to the development.
- 7.2. The National Planning Policy Framework (NPPF) defines Supplementary Planning Documents (SPDs) as documents which add further detail to the policies in the development plan. SPDs are capable of being a material consideration in planning decisions but are not part of the statutory Development Plan. SPDs are not subject to an independent examination but are required to undergo public consultation.
- 7.3. A review of the Council's current planning guidance was undertaken in 2017 following submission of the proposed new Local Plan for examination. This identified that the Council's Planning Obligations Supplementary Planning Document (SPD) dating from 2006 should be prioritised for updating. This review of current Council planning guidance, and the identification of documents to be produced in the future, was considered and approved by Cabinet on 25th July 2017.
- 7.4. A Draft Developer Contributions SPD was subsequently produced and consulted upon between February and March 2020.¹ In July 2020, Cabinet resolved to adopt the Developer Contributions SPD subject to the adoption of the new Local Plan within 12 months of the Cabinet meeting. Further to this, in the interim it was agreed that the document would be published and used as a material consideration when considering planning applications.
- 7.5. In March 2021, a Cabinet decision was made to not pursue a Community Infrastructure Levy at this time, and also to commence work on a revised and updated suite of Supplementary Planning Documents (although the latter had no bearing on the Developer Contributions SPD).
- 7.6. Delays in the Local Plan Examination precipitated a need to obtain Cabinet approval in July 2021 to continue to use the draft SPD as a material consideration in decision making, and to review the SPD to determine whether any further work was needed prior to adoption and any associated Cabinet decision. It was additionally decided at the same Cabinet meeting to use the Fields in Trust standards for open space provision in new development.
- 7.7. It is proposed that this latest version of the SPD will be consulted upon starting in October 2022 to enable adoption at the same time as, or shortly after, any future decision to adopt the Council's emerging Local Plan.

¹ Cabinet decision 28 January 2020, <https://democracy.north-herts.gov.uk/documents/s9737/Draft%20Developer%20Contributions%20SPD.pdf>

8. RELEVANT CONSIDERATIONS

- 8.1. The emerging Local Plan contains a series of policies with implications for affordable housing and other infrastructure requirements, which will be secured via planning conditions or legal agreements. The main policy 'hook' that links to the ability for the Council to seek developer contributions is in emerging Local Plan Policy SP7: Infrastructure requirements and developer contributions.
- 8.2. The latest version of the Draft Developer Contributions SPD (which is the subject of this Cabinet report) incorporates a range of changes necessary since the last round of consultation in 2020. It has been updated following internal and external consultation with key stakeholders to ensure the document is up to date and reflects the Council's current preferred approach to securing developer contributions. The key changes comprise the following:
- Inclusion of the Council's interim position on the delivery of First Homes as agreed at Cabinet in March 2022.
 - Reference to the ongoing update to the Strategic Housing Market Assessment Volume II.
 - The use of the Fields in Trust Standards to determine open space requirements
 - Updates to the approach to the management and maintenance of open space to reflect the most recent Green Spaces Strategy
 - Updates to the biodiversity section due to the increased prominence of Biodiversity Net Gain
 - Updated procedural guidance
 - Wider updates to reflect changes in national planning policy and guidance as well as the Levelling-up and Regeneration Bill.
- 8.3. The updated draft SPD is attached at Appendix A and the accompanying SEA Screening Determination at Appendix B. The SPD is drafted based upon the current emerging Local Plan. Due to this, minor amendments to this SPD, such as the terminology used, may be needed following adoption. Compared to the Local Plan, there is far greater scope to amend a draft SPD in response to consultation responses and other matters prior to its adoption.
- 8.4. Subject to approval by Cabinet, the draft SPD will be made available for public consultation for a period of five weeks commencing in early October 2022. This is longer than the statutory minimum of four weeks, but this will account for the half-term school holiday. Any comments received will inform the final version of the SPD which would then be re-presented to Cabinet for approval and adoption at an appropriate time having regard to the progress of the new Local Plan.

9. LEGAL IMPLICATIONS

- 9.1. Under the Terms of Reference for Cabinet Paragraph 5.6.18 of the Constitution states that the Cabinet should exercise the Council's functions as Local Planning Authority except where functions are reserved by law to the responsibility of the Council or delegated to the Service Director: Regulatory.

- 9.2. The statutory basis for Supplementary Planning Documents and their preparation is set out by a range of acts and associated regulations including the Planning and Compulsory Purchase Act 2004 (as amended) and the Localism Act 2011. Detailed requirements for the preparation of SPDs, including requirements for consultation, are stipulated in the Town and Country Planning (Local Planning) (England) Regulations 2012).
- 9.3. The provisions for planning obligations are set out under Section 106 of the Town and Country Planning Act 1990.

10. FINANCIAL IMPLICATIONS

- 10.1. The general costs of preparing Supplementary Planning Documents are met through existing revenue budgets.

11. RISK IMPLICATIONS

- 11.1. There are no new risk implications arising from this report. The Council has changed how it sets and monitors risks, as reported to Cabinet in March 2022. This will see a shift to strategic risks based on key projects such as the Local Plan.
- 11.2. An initial review of the existing risks for planning and development has been undertaken. It was concluded that it was best to revisit these risks once the Inspector's report has been received and / or any final decision on adoption of the new Local Plan has been taken. Reviews will also reflect the new approach to setting and monitoring Corporate Risks.
- 11.3. Nonetheless, the risks associated with not producing an updated Developer Contributions SPD include:
- lack of clarity and uncertainty to case officers and applicants when negotiating and determining planning applications;
 - lack of consistency with the emerging Local Plan as well as national planning policy and guidance; and
 - a risk of not securing the maximum range and / or amount of contributions possible within the parameters of the CIL regulations.

12. EQUALITIES IMPLICATIONS

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

13. SOCIAL VALUE IMPLICATIONS

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

14. ENVIRONMENTAL IMPLICATIONS

- 14.1. The SPD will have positive environmental implications, securing contributions for a range of measures including, but not limited to: biodiversity net gain, sustainable travel, renewable energy and climate change adaptations and mitigations.

15. HUMAN RESOURCE IMPLICATIONS

- 15.1 There are no new human resource implications arising from the contents of this report.

16. APPENDICES

- 16.1 Appendix A – Draft Developer Contributions SPD

- 16.2 Appendix B – SEA Screening Determination

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18. BACKGROUND PAPERS

- 18.1 [Review of North Hertfordshire Planning Guidance report to Cabinet, 25 July 2017](#)
- 18.2 [Draft Developer Contributions SPD report to Cabinet, 28 January 2020](#)
- 18.3 [Draft Developer Contributions SPD report to Cabinet, 21 July 2020](#)
- 18.4 [Local Plan Implementation report Cabinet, 16 March 2021](#)
- 18.5 [Extension of time for the Draft Developer Contributions SPD, 20 July 2021](#)
- 18.6 [Strategic Planning Matters report to Cabinet, 22 March 2022](#)

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**Draft Developer Contributions
Supplementary Planning Document**

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Foreword

This draft Supplementary Planning Document (SPD) has been written while the Council awaits the final Inspector's report for the Local Plan. Once the Local Plan is adopted, this document will be amended so that the terminology used reflects this.

The SPD cannot be formally adopted in advance of the new Local Plan but has been written to set out the Council's position and approach in the event that it is. Prior to any adoption of the Plan, the policy situation on some matters may differ in order to comply with relevant policies, regulations and / or guidance.

1 INTRODUCTION

1.1 Overview

- 1.1.1 North Hertfordshire Council (NHC) is committed to ensuring that the necessary infrastructure, services and facilities are provided to support growth and development in the District.
- 1.1.2 This Supplementary Planning Document (SPD) sets out detailed guidance on the type and scale of developer contributions that will be sought to support new development in our area.
- 1.1.3 The aim of the document is to assist Council Officers, applicants, agents and Members through the planning application process in a fair, transparent and consistent way.

1.2 Background and status of the SPD

- 1.2.1 This document has been produced by North Hertfordshire Council to provide further information on requirements set out in our next Local Plan. In particular, it expands upon proposed Local Plan Policy SP7: Infrastructure Requirements and Developer Contributions.
- 1.2.2 This draft SPD has been widely consulted upon, including with developers and members of the public.
- 1.2.3 This SPD is a material consideration when determining planning applications in the District and will be used when securing obligations, whether by Section 106 agreements or unilateral undertakings.

1.3 Legislative context

- 1.3.1 SPDs are documents which add further details to policies in a Local Plan. They can be used to provide further guidance on particular issues, but they cannot introduce new policies. SPDs are a form of Local Development Document produced under the 2004 Planning and Compulsory Purchase Act (as amended). Government regulations set out the requirements for producing SPDs¹.
- 1.3.2 Section 106 of the Town and Country Planning Act 1990 allows local planning authorities to enter into agreements with persons with an interest in land. These agreements can be used (but are not necessarily limited) to:
- Restrict the development or use of the land;
 - Require (parts of) the land to be used in a specific way;

¹ The Town and Country Planning (Local Planning) (England) Regulations 2012

- Require the payment of a sum to the local authority.

1.3.3 The Community Infrastructure Levy Regulations 2010 (as amended) set out the requirements that planning obligations must fulfil. Planning obligations can only be used:

- To make the development acceptable in planning terms
- Where they are directly related to the development; and
- Are fairly and reasonably related in scale and kind to the development.

1.3.4 Paragraph: 4, reference ID: 23b-004-20190901 of the National Planning Practice Guidance makes clear that it is not appropriate for plan-makers to set out new formulaic approaches to planning obligations in supplementary planning documents or supporting evidence base documents, as these would not be subject to examination. Whether or not an obligation meets the test of fairly and reasonably related in scale and kind to the development will be assessed on a case by case basis considering the project, harm or stress added to such facilities (in the round) from the development proposed, and considering the residual S106 figures arising from the viability evidence supporting the Local Plan².

1.3.5 The pooling limits previously imposed by regulation 123 of the above Regulations have been omitted by way of regulation 11 of The Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019. This omission now allows more than five obligations to fund a single infrastructure project where the contribution meets the three tests set out in paragraph 1.3.3 of this document.

1.4 National policy context

1.4.1 The National Planning Policy Framework (NPPF) says that Local Plans should set out the contributions expected from development. This should include the levels and types of affordable housing and other infrastructure requirements. These policies should not undermine the deliverability of the plan.³

1.4.2 Local Planning authorities should consider whether otherwise unacceptable development can be made acceptable through the use of conditions or planning obligations. Planning obligations should only be used where it is not possible to address unacceptable impacts through a planning condition⁴.

² DSP – North Hertfordshire District Council – Local Plan Viability Assessment – Update – Final Report (August 2016); DSP – North Hertfordshire District Council – Local Plan Examination Addendum (Viability) (Proposed policies HS4 and HS5) (January 2018)

³ NPPF Paragraph 34

⁴ NPPF Paragraph 55

- 1.4.3 Where up-to-date policies set out the contributions expected from development, planning applications that comply with them should be assumed to be viable⁵.
- 1.4.4 The Government sets out requirements for considering viability in the National Planning Policy Framework and in associated National Planning Practice Guidance. Local plans should clearly set out the contributions that developers are expected to make towards infrastructure and affordable housing; there should be a standard approach to establishing land value; transparency and accountability through the publication of viability assessments and through improvements to the monitoring and reporting of Section 106 planning obligations⁶.

1.5 The Local Plan and Neighbourhood Plans

- 1.5.1 The North Hertfordshire Local Plan was submitted to the Secretary of State in June 2017 for Examination in Public and the Council is currently awaiting the final Inspector's report.
- 1.5.2 Emerging policy SP7 of the Local Plan provides the main policy 'hook' for this SPD while other Local Plan policies have further requirements for developer contributions. This emerging Policy, including proposed modifications, to date is shown on the next page.

⁵ NPPF Paragraph 58

⁶ <https://www.gov.uk/guidance/viability>

Policy SP7: Infrastructure requirements and developer contributions

The Council will require development proposals to make provision for infrastructure that is necessary in order to accommodate additional demands resulting from the development. We will:

- a. Require developers to provide, finance and / or contribute towards provision which is fairly and reasonably related in scale and kind to the development, including:
 - i. On-site and/or off-site improvements and infrastructure necessary as a result of the development in order to:
 - ensure appropriate provision of facilities and infrastructure for new residents;
 - contribute toward-addressing cumulative impacts that might arise across multiple developments;
 - avoid placing unreasonable additional burdens on the existing community or existing infrastructure;
 - mitigate adverse impacts where appropriate; and/or
 - enhance critical assets or make good their loss or damage; and
 - ii. Maintenance and/or operating costs of any such new provision;
- b. Ensure essential new infrastructure to support new development is will be operational no later than the completion of development or during the phase in which it is needed, whichever is earliest;
- c. Refuse planning permission where appropriate agreements or processes ensuring criteria (a) and (b) can be met are not in place;
- d. Have regard to relevant national guidance or requirements in relation to planning obligations and any Community Infrastructure Levy or successor funding tariff which may be introduced by the Council;
- e. Work with landowners, developers and other agencies in facilitating the delivery of sites identified in the Local Plan and associated infrastructure and seek to overcome known obstacles; and
- f. Need robust evidence to be provided where developers consider that viability issues impact upon the delivery of key infrastructure and/or mitigation measures. This evidence will be used to determine whether an appropriate and acceptable level of contribution and / or mitigation can be secured.

1.5.3 This document has been structured to broadly follow the chapters and topics set out in the emerging Plan.

1.5.4 Developer contributions may also be required by policies set out in Neighbourhood Plans and applicants should have regard to such policies when formulating development proposals.

1.6 Developer contributions, planning obligations, S106 and Community Infrastructure Levy (CIL)

1.6.1 Developer contributions are normally secured through planning obligation agreements under Section 106 of the Town and Country Planning Act 1990.

1.6.2 The terms ‘developer contributions’, ‘planning obligations’ and ‘Section 106’ (s106) are used interchangeably but generally refer to the same things. Agreements may be used to ensure that the impacts arising as a result of a new development can be addressed. They are also a valuable way of ensuring that a development complies with planning policies contained in the Local Plan and any Neighbourhood Plans.

1.6.3 Planning obligations may be set out in a Section 106 agreement between the Council and the developer (and any other relevant parties) or in a unilateral undertaking offered by the developer. Section 106 agreements and unilateral undertakings are individual, scheme-specific, legal documents. Such agreements or undertakings can contain a number of planning covenants which can relate to both financial and non-financial obligations.

1.6.4 The Government has set out the intention to introduce a new Infrastructure Levy (IL) in the Levelling-up and Regeneration Bill. The IL would be charged on the value of the property when it is sold and applied above a minimum threshold, with levy rates and minimum thresholds set by local authorities. A consultation on the IL is expected in the coming months. We do not yet know the precise nature of, or timetable for, any IL and the information to date suggests that site-specific obligations will continue to have some role. It is likely that elements of this document and the guidance contained within will remain a material planning consideration in the assessment of future development management applications if an IL is subsequently introduced.

1.7 Sustainability Appraisal

1.7.1 This draft SPD has been reviewed against the Environmental Assessment of Plans and Programmes Regulations 2004 (commonly referred to as the ‘Strategic Environmental Assessment Regulations’). This scoping exercise has shown that this draft SPD does not require an SEA to be undertaken. To the

extent that applies, this document shall be reviewed against any replacement legislation related to Brexit arrangements⁷.

1.8 Cross-boundary issues

- 1.8.1 There may be instances where the impacts of development that lie within other local authority areas may affect areas within the District. When notified of developments that could potentially affect the delivery of services by North Hertfordshire Council, the authority will discuss these with the relevant local authority and seek obligations from the developer accordingly. In these cases, the Council would expect a clause enabling money to be transferred for spending in the District if necessary.
- 1.8.2 The Council will make reciprocal arrangements to those set out above should a development falling within the North Hertfordshire administrative boundary have cross-boundary impacts affecting another authority area(s).
- 1.8.3 The above approaches will also apply, having regard to the general principles in this document, in relation to any Nationally Significant Infrastructure projects (NSIPs) in or affecting the District.

1.9 Other providers that may seek S106 contributions

- 1.9.1 A range of infrastructure providers may seek contributions from new development. This includes, but is not limited to, Hertfordshire County Council, the NHS, the Police and Crime Commissioner for Hertfordshire and local Parish, Town or Community Councils. These are indicated under the relevant topic areas below. Guidance should also be taken from programmes from these other authorities, such as Hertfordshire County Council Developer Infrastructure Contributions document, or neighbourhood development plans from local Councils.
- 1.9.2 Hertfordshire County Council will normally be signatories where contributions are required for services they provide. Other providers may also be required to be signatories to the s106 agreement. The decision to make any other provider a signatory will be based on the level of financial contribution sought by the other provider.
- 1.9.3 Any provider (other than North Hertfordshire Council, Hertfordshire County Council and any Parish or Town Council) seeking a financial contribution in excess of £250,000 will, on a case-by-case basis, be requested to be a third party signatory to the Section 106 agreement. This threshold has been set as holding funds in excess of this figure for third parties or transferring monies without adequate safeguards represents an unacceptable financial and audit risk for North Hertfordshire Council.

⁷ <https://www.gov.uk/eu-withdrawal-act-2018-statutory-instruments/the-environmental-assessments-and-miscellaneous-planning-amendment-eu-exit-regulations-2018>

1.10 Infrastructure Planning and Funding

- 1.10.1 An Infrastructure Delivery Plan (IDP)⁸ is part of the Local Plan evidence base and sets out the requirements for infrastructure over the plan period. The IDP will need to be updated regularly to take into account the infrastructure needs of the District, including any updating of costs that is required.
- 1.10.2 The IDP examines the supply and demand for infrastructure based on forecasts of population growth.
- 1.10.3 Individual Council departments have priority projects that are set out in relevant strategies and action plans. These are identified under specific topics elsewhere in this SPD. Applicants should also have regard to other plans and strategies prepared by other service providers.
- 1.10.4 In addition to updating the IDP, Annual Infrastructure Funding Statements are a requirement of Regulation 121A of the Community Infrastructure Levy Regulations 2010 as amended by Regulation 9 of the Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019.

1.11 Strategic sites and masterplanning

- 1.11.1 Policy SP9 of the new Local Plan requires the masterplanning of strategic and significant development sites, generally defined as developments of 100 or more homes. The Council has published detailed guidance on the masterplanning process and the expected contents of masterplans⁹. This includes an Infrastructure Delivery Plan allowing for early identification of strategic infrastructure requirements.
- 1.11.2 The Local Plan identifies six Strategic Sites, for which there are detailed policies. For these sites a strategic masterplan should be provided for the whole allocation to ensure that infrastructure provision fully meets the demands arising from development. The Strategic Sites are:
- Policy SP14: Site BA1 – North of Baldock
 - Policy SP15: Site LG1 – North of Letchworth Garden City
 - Policy SP16: Site NS1 - North of Stevenage
 - Policy SP17: Site HT1 - Highover Farm, Hitchin
 - Policy SP18: Site GA2 - Land off Mendip Way, Great Ashby
 - Policy SP19: Sites EL1, EL2 & EL3 East of Luton
- 1.11.3 The Strategic Sites will need to address any specific contribution requirements set out in their individual policies, other relevant policies in the Plan and in this document. Developers should be aware that non-financial obligations may be required to secure details outside of the scope of this document, such as securing a masterplan, the final location and use splits of local neighbourhood

⁸ Infrastructure Delivery Plan to support the North Hertfordshire Local Plan 2011-2031 (2016) - [T11 Infrastructure Delivery Plan.pdf \(north-herts.gov.uk\)](#)

⁹ <https://www.north-herts.gov.uk/approach-masterplanning>

centres, or management plans for the maintenance and sustainability of any new neighbourhood centres required as a result of the development.

- 1.11.4 For sites of between 100 and 500 homes (or as otherwise captured by Policy SP9), the Council's masterplanning requirements will be applied in a proportionate manner having regard to the nature of the scheme proposed and the key issues.
- 1.11.5 The Council encourages the production of masterplans prior to the submission of a planning application. s106 discussions will not normally take place at this stage. However, it is anticipated that the masterplan process will normally 'dovetail' into a bespoke pre-application and / or a planning application where more detailed information may be sought or provided in line with this SPD.

1.12 Nationally Significant Infrastructure Projects (NSIPs)

- 1.12.1 Since the production of the Local Plan, work to expand Luton Airport has commenced. The Council has been involved in ongoing engagement regarding this project. The project has been registered with the National Infrastructure Commission and a Development Consent Order application is anticipated in 2023. The expansion of Luton Airport and any further NSIPs will be dealt with by the Planning Inspectorate, as set out in the Planning Act 2008.
- 1.12.2 The Council may seek appropriate contributions from any part of any NSIP in or affecting the District in line with the advice and principles in this document.

2 PROCESS, PROCEDURE & MANAGEMENT

2.1 Pre-application stage

- 2.1.1 Pre-application discussions offer the opportunity for the council to clarify the planning policies and material considerations that will be relevant to determining an application, as well as enabling issues to be resolved through a collaborative process.
- 2.1.2 National Planning Policy Framework at paragraph 96 sets out that engagement between local authorities and promoters, delivery partners and statutory bodies before applications are submitted can ensure the faster delivery of public service infrastructure.
- 2.1.3 Discussions regarding the type and level of developer contributions should take place at the pre-application stage. Draft S106 Heads of Terms will be considered at this stage. The Council will accept the submission of and develop a draft Heads of Terms as part of any pre-application advice for housing developments expected to exceed 10 units of 1,000sqm in floor space, or any other form of development for which an obligation may be expected. The level of detail included will depend on the specific issues relating to the proposed development, as well as whether an Outline or Full planning permission to be is sought. Where proposals are general in nature, for instance unit mixes are not yet specified, indicative S106 contributions will be calculated on the assumption that any future scheme would be fully policy- compliant.
- 2.1.4 Where an application requires developer contributions that would be delivered by an organisation other than the Council or the applicant, pre-application discussions may be encouraged with that organisation also. This may include, but is not limited to, discussions with: Registered Providers, Hertfordshire County Council, the Police and Crime Commissioner on behalf of Hertfordshire Constabulary, utility providers and the NHS. The Council will approach most organisations which will be engaged in the forming of the S106 obligations document. The above organisations are recommended as they provide independent, chargeable, pre-application advice services, or have particular requirements which may require further, independent engagement.
- 2.1.5 For schemes where viability is raised as an issue by the applicant, a draft viability appraisal will be required at pre-application stage if comments from the Council are required on this matter. For further advice, please see section 2.3 of this document.

2.2 Application stage

- 2.2.1 Where pre-application discussions have identified that developer contributions will be required, applicants should submit heads of terms with their planning application.

- 2.2.2 Any developer contributions required will be considered at application stage by the case officer, other Council directorates, Hertfordshire County Council and any other external service providers and statutory consultees as relevant to the application. All developer contribution requests and requirements will be coordinated by the relevant North Hertfordshire Council case officer. This is to ensure that:
- correct processes are followed;
 - applications can be dealt with in a fair and consistent way having regard to all relevant policy requirements; and
 - all requests for contributions are assessed to meet the relevant regulatory and policy tests.
- 2.2.3 This holistic approach may require compromise between competing interests (for example the preferred approach of the highway authority vs urban design and place-making considerations). Whilst applicants are encouraged to engage in pre-application discussions with certain organisations, no obligation should be agreed independently of the case officer representing the Council.
- 2.2.4 The case officer will discuss the required developer contributions with the applicant, ensuring conformity with CIL Regulations 2010 (as amended). Where agreement cannot be reached between the applicant and the Council regarding the required obligations, or the applicant does not sign the S106 legal agreement within the required timescales, the planning application may be refused by the Council¹⁰. For this reason, close dialogue between case officers and specific Council service areas and applicants is recommended from an early stage.
- 2.2.5 Planning applications that require obligations and that are determined by the Council's Planning Control Committee will not be recommended favourably to the Planning Control Committee until all parties to the agreement have agreed the content of the document. The legal documents which secure the obligations, whether via section 106 or unilateral undertaking, must be agreed in regards to wording of definitions, scale, phasing of delivery and trigger points of any obligations prior to the deadline for draft reports for the targeted Committee date.
- 2.2.6 Standard templates for the legal agreements and Unilateral Undertakings can be found on the Council's webpage at: <https://www.north-herts.gov.uk/home/planning/apply-planning-permission/planning-obligations/>.
- 2.2.7 Developers / applicants will need to produce satisfactory proof of title for their particular site and all persons with an interest in the development site including owners, mortgagees, tenants and option holders must be party to the agreement.

¹⁰ Where planning applications are refused in this way on the advice of a consultee, that consultee will be responsible for defending their advice to the Council at any future appeal by the applicant. Consultees can have costs awarded against them at appeal in specified circumstances. See <https://www.gov.uk/guidance/appeals>, accessed May 2019

- 2.2.8 Applicants will be required to pay the Council's legal costs as well as their own for drafting and checking legal agreements, and will need to provide a solicitor's undertaking to do so. Applicants should also be aware that a solicitor's undertaking to cover the County Councils legal costs for negotiating and checking of the legal agreement as well as proof of title will be required by Hertfordshire County Council where applicable.
- 2.2.9 Where an applicant challenges the contributions required at application stage on viability grounds, a viability appraisal will be required. For further advice, please see section 2.3 of this guidance document.

2.3 Viability

- 2.3.1 Applicants should ensure that development proposals adhere to Local Plan and Neighbourhood Plan policies and that these requirements are factored into land value. The Local Plan should be treated as the starting point, with the underlying viability evidence demonstrating overall viability¹¹. This reflects National Planning Practice Guidance, which states that where up-to-date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable. It is therefore up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage and where needed, provide evidence of what has changed since then.
- 2.3.2 Overpayment for land will not be accepted as a reason for reducing contributions.
- 2.3.3 A viability appraisal should cover and consider whether viability enhancements could improve the situation, for example deferring triggers for contribution payments. It should be an 'open book' assessment which should include information covering (but not necessarily limited to) the following:
- Existing use values;
 - Proposed use values (sales and rental);
 - Demolition and construction costs;
 - Finance and marketing costs;
 - Assumed yield;
 - Construction site abnormalities;
 - Development phasing/timetable.
- 2.3.4 A viability appraisal should be submitted at application stage for any planning application where viability is a factor in determining the application. The viability appraisal will be independently assessed by consultants acting on behalf of the Council and the cost of this will be covered by the applicant.

¹¹ DSP – North Hertfordshire District Council – Local Plan Viability Assessment – Update – Final Report (August 2016)
DSP – North Hertfordshire District Council – Local Plan Examination Addendum (Viability) (Proposed policies HS4 and HS5) (January 2018)

2.3.5 A revised viability appraisal will be required where material changes are made following the submission of the planning application, or where there are delays where issues have not been resolved within the timescales originally envisaged.

2.3.6 National Planning Practice Guidance provides further information on the expected requirements in relation to viability appraisals, including but not limited to: assessment of land value, inputs and assumptions as well as an open book approach and ensuring accountability. The viability assessment shall be treated as a public document and made available on the Council's planning portal in line with national policy.

2.4 Viability review mechanisms

2.4.1 The Council will consider using a viability review mechanism where obligations or covenants are agreed at lower than policy compliant levels on viability grounds. A viability review mechanism can trigger a review of the originally agreed contributions where there is an improvement in viability and/or broader economic conditions since the original viability appraisal was undertaken.

2.4.2 A viability review mechanism may be used for multi-phased or long-term development schemes. Viability review mechanisms may also be appropriate whereby there are large scale, estimates or bespoke costs which may be subject to change or further surety upon investigation. The trigger point(s) for review will be set out at application stage, and be relevant to the reason for the inclusion of the viability review mechanism. Further developer contributions will only be required if a surplus is identified during the review over and above the returns necessary to be deemed viable.

2.4.3 The applicant will be expected to pay for the full cost of a viability appraisal required by a viability review mechanism. The appraisal should meet the requirements set out above. The viability review mechanism would be included in the S106 agreement, and will, as is necessary, be bespoke based on the facts of the case and reasons for its requirements in the first place.

2.5 Policy priorities and planning obligations

2.5.1 This SPD outlines in further detail the type of planning obligations that may be required. The coverage of likely obligations is not exhaustive, and each application will be considered on its merits on a case-by-case basis. Nonetheless, in every instance, the obligations sought will be in line with the CIL Regulations 2010 (as amended or subsequently replaced).

2.5.2 Paragraph 4.83 of the emerging Local Plan identifies that there may be instances whereby policy requirements are prioritised. Where an agreed viability study has been produced in accordance with relevant policies, the Council will consider the requirements most critical to securing development and meeting the overall objectives of the Local Plan.

2.5.3 The Council will normally prioritise those contributions that have been properly tested through the Local Plan, in accordance with National Planning Practice Guidance. The Council will have regard to potential alternative sources of funding and / or the likelihood of direct funding (in whole or part) of infrastructure for which s106 requests have been received.

2.5.4 Whether contributions have been subject to appropriate levels of consultation, examination and / or testing, is a significant factor in the viability of a scheme. The Council reserves the right to continue to require fully policy-compliant affordable housing provision (and other forms of properly tested contributions) at the expense of other requests.

2.5.5 The Council will seek to work with the relevant infrastructure provider to understand other potential forms of funding to fill any shortfall and negotiate an appropriately reduced level of contribution from the applicant.

2.6 Deeds of variation

2.6.1 In some cases, it may be necessary to change the contents of an agreement after it has been completed and signed. In such instances, the variation would need to be agreed by all parties affected by the variation prior to the submission of any application under Section 106B of the Town and Country Planning Act 1990 (as amended). This will result in additional costs to the applicant to take into account the negotiation, preparation and drafting of the variation. These costs include the costs of the applicant's legal representation, the reasonable costs of any signatories' legal representation as well as the costs of the application to vary or modify an obligation in of itself.

2.7 Monitoring, enforcement and allocation

2.7.1 The Council monitors all agreements, taking into account the trigger points and the different obligations included. Monitoring fees will be sought through S106 agreements and will meet the requirements of Part 11 Regulation 122 of the Community Infrastructure Levy Regulations 2010 as amended by Regulation 10 of the Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019. Those requirements are that the sum to be paid fairly and reasonable relates in scale and kind to the development and does not exceed the authority's estimate of its costs. Fees may be required to cover the cost of land transfer, where applicable.

2.7.2 The authority's estimate of costs for monitoring of obligations will, necessarily, be bespoke and context dependent. The estimated costs may include the monitoring costs of other departments in and or outside of the Council. Fees for monitoring will be negotiated by the case officer.

2.7.3 The Council may additionally seek contributions to cover reasonable legal costs, such as for the transfer of land for open space.

- 2.7.4 The Town and Country Planning Act 1990 (as amended) outlines provisions for local authorities to enforce planning obligations. Due to this, the applicant may be required to provide evidence as the development progresses that all financial and non-financial obligations have been met.
- 2.7.5 The Council will charge interest on any payment that is paid late, and this will be payable from the date that the payment was due to the date of payment. Interest will be applied at two percentage points above the base lending rate of Lloyds Bank, as varied from time to time.
- 2.7.6 A S106 agreement and Unilateral Undertaking report is produced by the Planning Department and the information is reported to the Area Committees annually. This information can be found on the following webpage:
<https://democracy.north-herts.gov.uk/mgListCommittees.aspx?bcr=1>
- 2.7.7 The Council will comply with the requirements of Part 10A, Regulation 121A of the Community Infrastructure Levy Regulations 2010 as amended by Regulation 9 of the Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019 in so far as it relates to planning obligations. The Council also produces an annual Infrastructure Funding Statement.

2.8 Indexation

- 2.8.1 Commuted sums will be indexed linked from the date of the agreement to the date when the contribution is requested. Where the contribution relates to a commuted maintenance payment, this will be index linked from when maintenance costs are agreed. The Retail Price Index (RPI) will be used for ongoing revenue costs, and PubSec for all capital costs. This is to ensure that the value of an obligation does not reduce over time. This information is subject to change.
- 2.8.2 For contributions required by Hertfordshire County Council, indexation will be calculated having regard to any relevant requirements in their own planning obligations guidance¹².

2.9 Bonds

- 2.9.1 A bond may be used in cases where a developer will be delivering the work or where payments are phased. For instance, where the contribution relates to Highway infrastructure works, a bond may be used to provide a guarantee to the Council that the infrastructure can be delivered and to required standards.

¹² Hertfordshire County Council Guide to Developer Infrastructure Contributions, [Planning obligations and developer infrastructure contributions | Hertfordshire County Council](#)

- 2.9.2 Bonds may also be requested by the Council to hold for future decommissioning works, such as a solar farm subject to a temporary planning permission or in other circumstances deemed appropriate.

3 ECONOMY AND TOWN CENTRES

Local Plan Policies	Other relevant Strategies & Guidance
<ul style="list-style-type: none"> ➤ SP3: Employment ➤ SP4: Town Centres, Local Centres and Community Shops ➤ SP9: Design and sustainability ➤ ETC3: New retail, leisure and other main town centre development ➤ ETC6: Local Centres ➤ D1: Sustainable design ➤ Site-specific policy criteria 	<ul style="list-style-type: none"> ➤ Hertfordshire LEP Strategic Economic Plan ➤ Hertfordshire Skills Strategy ➤ NHDC Economic Development Strategy ➤ Town Centre Strategies for Baldock, Hitchin, Letchworth Garden City and Royston ➤ Hertfordshire Growth Board Strategies

3.1 Policy context

- 3.1.1 The NPPF seeks to support economic growth and support the role that town centres play at the heart of local communities¹³.
- 3.1.2 The Local Plan sets out our aspiration to provide an appropriate balance between skills, housing and economic development. It recognises the contribution of ‘footloose’ careers in sectors such as construction and the trades in the overall employment balance of the District.
- 3.1.3 The retail policies of the Plan seek to maintain the vibrancy and vitality of key centres within the District. This includes the main town centres of our largest settlements as well as smaller parades of shops serving a local function.
- 3.1.4 The Hertfordshire Local Enterprise Partnership (LEP) provides the strategic framework for economic growth within the county. This is supported by local strategies for economic development in the District and our town centres.

3.2 Business, economic development, local employment and training

- 3.2.1 We will support and promote the use of local people and businesses through the construction and delivery phases of new developments. We will particularly encourage these on our larger and strategic sites. These will have build-out periods lasting a number of years and will deliver significant employment and supply-chain opportunities over a prolonged period. Once implemented they will provide ongoing employment opportunities in shops, schools and other facilities. On longer-running schemes we will also encourage the creation of

¹³ NPPF Paragraphs 86

apprenticeship programmes providing the opportunity for local people to develop skills and put these into practice. These approaches will help to deliver social value through the planning system.

3.2.2 Where these measures are pursued, we will incorporate a (commitment to the production of a) Local Labour Agreement within the S106 agreement. The detail of the Local Labour Agreement should be informed having regard to recognised resources and toolkits such as the Construction Industry Training Board's client based approach.¹⁴

3.2.3 Any specific requirements relating to built development for employment uses are set out in relevant policies and site criteria. Where appropriate and necessary, relevant measures may be secured in any legal agreement relating to the relevant planning application(s) for those schemes.

3.3 Regeneration, town centres and streetscapes

3.3.1 Each of the District's four main towns has a recognisable town centre. Over time a range of enhancement works have been carried out to maintain their distinctive characters and vibrancy. Contributions towards future town centre public realm enhancements will be sought from relevant major development schemes potentially including (but not necessarily limited to):

- Schemes for development within existing town centres;
- Schemes for out-of-centre development where such contributions may help preserve the vitality and / or viability of the existing centre(s); and
- Schemes elsewhere that may result in a substantive increase in footfall in existing town centres.

3.3.2 Major residential or non-residential development schemes near town centres have potential to drive substantive increases in footfall in town centres. Schemes for out-of-centre development will have to meet the necessary policy tests in regards to the sequential and impact tests. It may be that within the impact tests, contributions could be nominated or sought to mitigate harm to the vitality or viability of an existing town centre to an acceptable level.

3.3.3 Contributions may be sought for improvements to the wider public realm, the installation of specific facilities such as bike racks or street furniture or features such as public art. Specific projects for which contributions may be sought will be identified in an updated suite of Town Centre Strategies. Work on these is due to commence following a decision on the adoption of the Local Plan.

3.3.4 Where potential improvements are identified adjacent or otherwise in close proximity to a development site it may be appropriate for the applicant to carry out works directly with the approval of any other relevant bodies (such as the

¹⁴ [National Skills Academy for Construction \(NSAFC\) - CITB](#)

freeholder of the land affected). Such an agreement will be on a case-by-case basis, and if not feasible, financial contributions may be sought.

- 3.3.5 Improvements to public realm will not necessarily be confined to the main town centres. Where appropriate, we will seek contributions towards public realm improvements in smaller centres and other areas which play an important role in defining place and supporting the day-to-day function of the built environment. Priorities for public realm enhancements may be identified in Neighbourhood Plans or other locally-led strategies or initiatives, such as Parish Plans. Applicants should have regard to any relevant policies or requirements applicable to their scheme.
- 3.3.6 The Council may seek contributions towards the ongoing maintenance of any public realm improvements to be provided.

4 TRANSPORT

Local Plan Policies	Other relevant Strategies & Guidance
<ul style="list-style-type: none"> ➤ SP6: Sustainable transport ➤ SP9: Design and sustainability ➤ SP10: Healthy communities ➤ T1: Assessment of transport matters ➤ T2: Parking ➤ D1: Sustainable design ➤ D4: Air quality ➤ Site-specific policy criteria ➤ Appendix 4: Car Parking Standards 	<ul style="list-style-type: none"> ➤ Vehicle Parking at New Developments SPD ➤ Design SPD ➤ NHDC Transport Strategy ➤ NHDC Local Cycling and Walking Infrastructure Plan (LCWIP) ➤ NHDC Parking Strategy ➤ Hertfordshire County Council Guide to Developer Infrastructure Contributions¹⁵ ➤ Hertfordshire Local Transport Plan and supporting strategies ➤ The North Central Hertfordshire Growth & Transport Plan ➤ Hertfordshire County Council's Highways Design Guide ➤ Department for Transport (DfT) Circular 02/2013¹⁶

4.1 Policy context

- 4.1.1 The levels of growth and development envisaged in the plan will place additional demands on transport and highway networks and planning obligations can be used to mitigate against these effects.
- 4.1.2 The NPPF asks that transport issues be considered from the earliest stages to allow development impacts to be addressed and so that opportunities to promote more sustainable modes of travel can be identified and pursued.¹⁷
- 4.1.3 Hertfordshire County Council is the local highway authority and has the primary responsibility for providing and maintaining transport infrastructure and some bus services in the District. As a statutory consultee, it is consulted on all applications for which S106, S278 or S38 works or contributions may be required (please see also paragraph 4.2.3 below).

¹⁵ Hertfordshire County Council Guide to Developer Infrastructure Contributions, [Planning obligations and developer infrastructure contributions | Hertfordshire County Council](#)

¹⁶ Currently being updated

¹⁷ NPPF Paragraph 104

- 4.1.4 The County Council's Local Transport Plan (LTP4) states that sustainable transport modes such as walking, cycling and improving access to public transport are to be prioritised while working to reduce need for journeys overall. LTP4 is supported by a range of strategies. These are both topic-specific (e.g. rail strategy) and geographically based (e.g. area growth and transport plans). In particular, regard should be had to promoting modal shift as endorsed in LTP4, the Hertfordshire County Council's Highways Design Guide, as well as the management of highway impacts arising from the Local Plan where those impacts would be directly related to the development proposed.
- 4.1.5 The Local Plan sets out policies that align with LTP4 to ensure that transport provision across the District is sustainable and safe and that negative environmental impacts, such as noise and air pollution, can be avoided or mitigated.
- 4.1.6 Local Plan Policy T1 Assessment of transport matters requires Transport Statements, Transport Assessments and/or Travel Plans depending on the development type and size. These documents provide an assessment of the likely transport impacts of the development in question. Where impacts cannot be fully mitigated, sustainable transport and highways planning obligations will be sought. This may include contributions towards more strategic projects in accordance with the CIL Regulations.
- 4.1.7 The Plan is supported by a proposed Transport Strategy. This identifies areas for intervention, recognising that these will be reviewed and refined on an on-going basis.
- 4.1.8 National Highways is responsible for the Strategic Road Network (i.e. in North Hertfordshire the A1).
- 4.1.9 It is worth noting that in some instances, private landowners may be responsible where the provision is not on public highway.

4.2 Financial and non-financial obligations

- 4.2.1 The Council will be guided by the response(s) of Hertfordshire County Council in determining measures required to mitigate transport impacts. The County Council's Guide to Developer Infrastructure Contributions provides an indication of the scale of requests they are likely to make in response to planning application consultations.
- 4.2.2 (Prospective) applicants should review the relevant strategies and guidance documents, including those listed above, to identify potentially relevant and suitable projects for which contributions may reasonably be sought.
- 4.2.3 In addition to S106 agreements, Section 278 (S278) agreements can be used as a mechanism to secure highway measures that cannot be addressed through

the design of the proposed development. S278 agreements are used when the proposed works relate to the existing highway network, and Section 38 of the Highways Act is used where new highways are to be created and this can be provided by way of commuted sum where necessary. On occasions where the developer is solely responsible for delivering works, a S278 agreement may be used in place of S106, secured by way of Grampian condition. This will only apply to matters relating to timing and delivery, rather than the detail of the works.

- 4.2.4 Section 278 agreements, Creation Agreements (under S.25 of the Highways Act 1990), Creation Orders (under S.26 of the Highways Act 1990) or whereby landowners expressly dedicate under common law are methods by which Public Rights of Way can be delivered.
- 4.2.5 The applicant should discuss with the Council and other relevant service providers whether the developer is best placed to deliver the works on-site, or to provide a financial contribution for another party to deliver the infrastructure required.
- 4.2.6 The cumulative transport impact of development proposals will also be taken into account as set out in the Local Plan, which may mean that smaller schemes may be requested to make appropriate contributions towards schemes which are required to address the combined impacts of future growth.
- 4.2.7 Non-financial contributions towards sustainable transport may also be required and may include establishing car clubs, providing electric vehicle charging infrastructure, land for Rights of Way improvements, and safe cycle storage. This may be particularly important at transport hubs and interchanges.
- 4.2.8 Where Travel Plans are required for a development, contributions may be sought for monitoring.

5 HOUSING

Local Plan Policies	Other relevant Strategies & Guidance
<ul style="list-style-type: none"> • SP8: Housing • HS2: Affordable housing • HS3: Housing mix • HS4: Supported, sheltered and older persons housing • HS5: Accessible and adaptable housing • Site-specific development criteria 	<ul style="list-style-type: none"> • Housing Strategy • Homelessness Strategy • Tenancy Strategy • North Hertfordshire District Council Self-build and Custom House Building Guidance

5.1 Policy context

- 5.1.1 The NPPF stresses the importance of addressing the needs of groups with specific requirements for housing¹⁸.
- 5.1.2 The Council's overall planning approach to Affordable Housing is set out in Policy HS2 of the Local Plan and supporting text. This section of the SPD provides additional information to aid interpretation of these requirements.
- 5.1.3 Further information on the Council's approach to Affordable Housing is set out in our Housing Strategy and Tenancy Strategy. These, and other relevant documents, including the latest Strategic Housing Market Assessment, are provided on our website. Where relevant, this section of the SPD makes reference to the latest findings from these reports. However, these documents may be updated over the lifetime of this SPD and should always be referred to for the most up-to-date information.
- 5.1.4 Policies HS4 and HS5 contain specific requirements relating to housing for older persons and accessibility respectively.

5.2 Affordable Housing

Demonstrating compliance with Affordable Housing requirements

- 5.2.1 We encourage the submission of an Affordable Housing Statement alongside any relevant planning applications to demonstrate how the requirements of the Local Plan and this SPD have been met. Alternately, the approach to Affordable Housing should be clearly set out as a distinct section within one or more of the following documents (as applicable):

- Design & Access Statement

¹⁸ NPPF Paragraph 60

- Planning Statement
- Environmental Statement

5.2.2 The following details set out the Council's expectations in line with policy HS2 of the Local Plan. All expectations set out below will be secured in a legal agreement in any potential approval of a relevant application. In the event of an outline planning application with all or most matters reserved, these matters will remain secured in a legal agreement, up to, including and not limited to amount, tenure, mix and design.

Calculating the Affordable Housing requirement (Policy HS2(a)(i))

5.2.3 Policy HS2 sets the following target percentages of dwellings to be affordable:

Size of site (gross dwellings)	Target % of Affordable Housing
11-14 dwellings	25%
15-24 dwellings	35%
25+	40%

5.2.4 When calculating the number of affordable units, the general approach will be to round the requirement to the nearest whole number. Where the requirement is subject to rounding up, the target levels of Policy HS2 may be slightly exceeded. As a general principle, and having regard to the findings of our evidence¹⁹, this approach is unlikely to affect scheme viability. Subject to the exceptions below, the Council will not entertain viability appraisals or attempts to reduce the Affordable Housing contribution on this ground alone.

5.2.5 The impact of rounding the requirement can be more significant for smaller sites given the low numbers of units involved. We specifically recognise the potential impact upon schemes of 11, 14, 16 and 19 units. In these instances, we will determine the most appropriate approach having regard to:

- The nature of the scheme;
- The tenure of any proposed Affordable Housing products; and
- The proposed / potential Affordable Housing floorspace as a proportion of the overall development, particularly where larger units are proposed for private sale with smaller units proposed as the Affordable Housing contribution.

5.2.6 These factors will also be considered in other instances where the proposed Affordable Housing contribution does not comply with policy.

Off-site provision of Affordable Housing

5.2.7 Where the off-site provision of Affordable Housing or a financial contribution is agreed in principle (see below), the requirements of Policy HS2 should be met

¹⁹ North Hertfordshire District Council Local Plan Viability Assessment Update 2016 (Dixon Searle Partnership (DSP))

when viewing the application site and the 'donor' site(s) (or other agreed alternate form(s) of contribution) as a single entity.

5.2.8 A scheme for 100 units would normally generate an on-site requirement for 40 affordable homes, with the remaining 60 homes available for market sale ($40 / 100 = 40\%$).

5.2.9 However, a scheme of 100 market sale homes with no on-site Affordable Housing would require off-site provision or a financial contribution equivalent to 67 affordable units to make the same contribution: $(67 / (67+100) = 40\%)$.

5.2.10 The table below summarises the equivalent percentages required to meet the targets in Policy HS2 where fully off-site provision or a commuted payment is to be made.

Size of site (gross dwellings)	Target % of Affordable Housing (on-site)	Off-site equivalent
11-14 dwellings	25% of all dwellings	33% of market homes
15-24 dwellings	35% of all dwellings	54% of market homes
25+	40% of all dwellings	67% of market homes

5.2.11 We will use bespoke calculations where it is agreed that the Affordable Housing is to be split between on-site and off-site provision.

Provision involving existing Affordable Housing

5.2.12 Where existing Affordable Housing is to be demolished or otherwise lost, we will normally expect that existing units will be replaced on a one-for-one basis with the targets of Policy HS2 then applied to any net additional units.

5.2.13 Exceptions to this approach will be considered on a case-by-case basis, for example when a scheme proposes replacement units that better meet identified Affordable Housing needs or where private sale units will cross-subsidise the scheme.

Vacant Building Credit

5.2.14 National policy provides an incentive for brownfield development on sites containing vacant buildings. This requires Affordable Housing requirements to be reduced based on the quantity of floorspace being brought back into use or replaced.

5.2.15 Vacant Building Credit is intended to incentivise the re-use of buildings or sites that would otherwise remain vacant or become derelict. It is not intended as a back-door means of reducing Affordable Housing contributions on otherwise viable sites.

5.2.16 Where Vacant Building Credit is applied for, the applicant should follow the principles set out for employment uses in Local Plan Policy ETC2 and provide evidence that the building has been actively marketed for its current use for a period of at least twelve months without success prior to submission of a planning application. This should demonstrate that the marketing has been conducted appropriately given the terms and rental / sales values compared to other similar properties.

5.2.17 Vacant Building Credit will not be applied where the above conditions are not met.

Viability

5.2.18 Our overall approach to viability is set out in Policy SP7 of the emerging Local Plan and Section 2.8 of this SPD. Where a developer seeks to reduce Affordable Housing below target levels on viability grounds, the appraisal should demonstrate the impact of full compliance with the Affordable Housing Requirements in the Local Plan and this SPD on a 'nil grant' basis.

5.2.19 Any departure from policy compliant Affordable Housing provision on viability grounds will be negotiated on a case-by-case basis having regards to the findings of the viability study, scheme-specific circumstances and the potential for any alternate and / or reduced forms of contribution towards Affordable Housing.

On-site vs. off-site provision (Policy HS2(a)(ii))

5.2.20 Our presumption is strongly in favour of Affordable Housing provision being made on site. Although some sites will deliver relatively low numbers of affordable homes, Registered Providers operating in the District are normally willing to take these on as part of their wider portfolio.

5.2.21 We recognise that there can be specific circumstances where it is not possible or appropriate to make Affordable Housing provision on site. This might include in some smaller flatted developments or where specialised accommodation within Use Class C3 is being provided.

5.2.22 Any (proposed) departures from on-site provision will be considered on a case-by-case basis. Where it is accepted that on-site provision is not feasible, we will first seek provision on an alternate site. If this is not possible, we will seek a commuted sum in lieu of provision.

Approach to off-site provision

5.2.23 Off-site provision may be an appropriate alternative where an alternate site is in possession of, or can be reasonably acquired or otherwise accessed by, the applicant who can then deliver affordable homes upon it in partnership with a Registered Provider in the normal way. The Affordable Housing provision on the 'donor' site will need to comply with relevant planning policies and the requirements of this SPD. It will normally be secured with an appropriate clause(s) in the legal agreement and / or Grampian condition on the principal site to ensure delivery of both schemes.

5.2.24 The 'donor' site should be reasonably related to the application site. In considering the acceptability of potential alternate sites, we will have regard to the approach taken by the Local Plan to Rural Exception sites. Alternate sites should normally be located within both a 15-minute drive time and a 30-minute journey time using passenger transport of the principal application site.

Commuted sums

5.2.25 Where it is accepted that a commuted sum is required, the starting point for negotiation will be an equivalent payment sufficient to deliver the Affordable Housing requirement on an alternate site:

- The Affordable Housing requirement will be calculated in line with the requirements set out in this section of the SPD;
- The cost per required affordable unit (the unit cost) will be based upon the provision of a 2-bed house (including land);
- The unit cost will be derived from the costs set out in the Council's most recent District-wide viability assessment.

5.2.26 At the time of writing this approach gives a unit cost of £123,000.²⁰

C2 Uses and affordable housing

5.2.27 For the purposes of the new Plan, the Council has treated the need for and provision of housing within use-class C3 separately from the need for and provision of more specialist accommodation within use-class C2. The overall housing requirement and references to dwelling estimates for the Strategic Housing Sites and Local Housing Allocations are for C3 uses only. The Plan relies on delivery of the housing allocations with policy-compliant affordable housing to meet future market and affordable housing needs in full.

5.2.28 Requirements for C2 uses are set out separately and in addition. A minimum target for the overall provision of C2 bedspaces is set in Policy SP8(g).

5.2.29 The Council will not normally seek the provision of affordable housing or affordable housing contributions from:

- C2 uses where they satisfy a specific policy requirement on Strategic Sites; or
- C2 uses on windfall sites not identified in the Plan

5.2.30 However, where a C2 use is otherwise proposed on a site allocated in the Plan for housing, the Council will seek a commuted sum for affordable housing that compensates for any loss of affordable housing units that might otherwise have been provided if the site had been fully developed for C3 use in accordance with the Plan.

5.2.31 The relevant sum will be calculated on a case-by-case basis using the dwelling estimate and affordable housing policies in the Plan and the guidance above on commuted sums.

²⁰ Taken from North Hertfordshire District Council Local Plan Viability Assessment Update 2016 (DSP). Figure based upon: a base build cost for a 79m² 2-bed home at £1,190/m²; £4,500 site prep and survey costs; a 17% uplift on the base build cost for contingencies, fees and sustainable design & construction standards; £2,447 to achieve M4(2) accessibility compliance; and £9,250 to purchase 1/40th hectare of land at assumed greenfield enhancement value of £370,000 per hectare. Total rounded to nearest £1,000.

Expenditure of commuted sums for Affordable Housing

5.2.32 Any specific provisions relating to the expenditure of the commuted sum, including time limits, will be set out in the s106 agreement. In general terms, commuted sums for Affordable Housing might reasonably be spent upon (but is not necessarily limited to):

- The delivery of additional affordable units on other s106 schemes;
- The provision of new affordable homes on (up to) 100% Affordable Housing schemes by the Council or a Registered Provider;
- The acquisition of (serviced) land to facilitate such schemes;
- The adaptation or modification of existing stock to meet standards and / or specific identified housing needs;
- The acquisition of homes on the open market for Affordable Housing; or
- The provision of other forms of housing providing homeless or temporary accommodation;

5.2.33 Specific projects may be identified in our Housing Strategy or other relevant documents and expenditure can take place anywhere in the District regardless of the location of the development to which the commuted sum relates. The Council will endeavour to locate commuted sum expenditure close to sites where the sum has been contributed, however, this may not always be viable or appropriate.

Ensuring affordability (Policy HS2(a)(iii))

5.2.34 Housing affordability is a significant issue in the District. The ratios of house prices to earnings are at the highest levels ever recorded. Even with discounts applied, rents and purchase requirements for intermediate products remain difficult to afford for many households.

5.2.35 The Local Plan recognises that it will be necessary to introduce rental caps at below 80% of market rates to ensure affordability, particularly for larger units. Our approach to rents, and seeking to ensure the affordability of all Affordable Housing products, is set out in our Housing Strategy and Tenancy Strategy. We currently require the following rental levels:

- 1 & 2 bed properties: 80% of market rents
- 3 bed properties: 70% of market rents
- 4 bed properties: social rents

5.2.36 All rents are to be within Local Housing Allowance Rates. Rents for 1-, 2- and 3-bed properties should achieve the percentages above inclusive of any service charges, management fees or similar.

5.2.37 The requirements in the Plan are based upon households allocating 35% of their gross income to housing. Applicants should demonstrate that any intermediate products, including the initial purchase percentage(s), will be affordable on this basis having regard to local income and house price data. House prices vary significantly across North Hertfordshire and district-wide price averages will generally not be

considered an appropriate basis for making these calculations. In determining the affordability of products, any service charges, management fees or similar which may be applied should be included.

5.2.38 For shared ownership units, applicants should be able to purchase an initial equity share in the property of between 25% and 75%. The rent on unsold equity will be capped at 2.75% in accordance with Homes England requirements.

5.2.39 Due to the high cost of housing throughout the District, some forms of intermediate tenure products are considered unlikely to meet the affordability requirements of the Plan. This includes, but is not necessarily limited to, discounted market sales housing.

5.2.40 The Government recognises that shared ownership products can be hard to replace, particularly in rural areas. To address this issue, regulations identify Designated Protection Areas²¹. Within these, any shared ownership products will be required to restrict 'staircasing' to a maximum 80% equity share in the property.

5.2.41 Where applicable, these requirements will be incorporated into the legal agreement. The following parishes within North Hertfordshire are currently Designated Protection Areas:

- | | |
|-------------|-------------------|
| • Ashwell | • Lilley |
| • Barkway | • Newnham |
| • Barley | • Nuthampstead |
| • Bygrave | • Offley |
| • Caldecote | • Pirton |
| • Clothall | • Preston |
| • Codicote | • Radwell |
| • Graveley | • Reed |
| • Hexton | • Rushden |
| • Hinxworth | • Sandon |
| • Holwell | • St Pauls Walden |
| • Ickleford | • Therfield |
| • Kelshall | • Wallington |

²¹ The Housing (Right to Enfranchise) (Designated Protected Areas) (England) Order 2009

- Kimpton
- Kings Walden
- Langley
- Weston
- Wymondley

Affordable Housing tenures (Policy HS2(b)(i))

- 5.2.42 Local Plan policy expects 65% of Affordable Housing units to be for rent with the remaining 35% other forms of Affordable Housing. The definition of the various housing types considered to be Affordable Housing is set out in Annex 2 of the NPPF.
- 5.2.43 When calculating the required tenure split, the number of rented units will normally be rounded to the nearest whole number. The number of intermediate units will normally represent the balance of the overall requirement.
- 5.2.44 On schemes of 25 units or more it should be possible to deliver the tenure split required by Policy HS2.
- 5.2.45 On schemes of less than 25 units, or in other instances where less than 10 Affordable Housing units are proposed or agreed, we will consider the most appropriate approach to tenure mix on a case-by-case basis having regard to the above advice. It may not, for example, be desirable for a scheme to deliver a single intermediate unit. Equally, it may not be practical to deliver affordable rented units within a small block of flats.
- 5.2.46 The most appropriate mix of intermediate products will be negotiated on a case-by-case basis having regard to relevant evidence (including upon affordability) and the type and size of Affordable Housing product(s) proposed by the applicant or otherwise considered realistic in the context of the site and overall scheme.
- 5.2.47 The NPPF allows for self-build housing to be Affordable Housing. For this to be the case, the self-build must fall within one of the Affordable Housing types contained in the NPPF definition. Where any self-build housing is accepted as being a form of Affordable Housing (and vice versa) it will count towards any relevant policy targets or requirements for both forms of provision. Self-build not falling within the NPPF definition of Affordable Housing will not count towards, or otherwise be offset against, the Affordable Housing requirement.

First Homes

- 5.2.48 First Homes were introduced by government in June 2021 as an additional affordable housing product. Given the advanced stage of plan preparation, the emerging Local Plan does not account for First Homes in its housing policies. The housing policies contained in the emerging Local Plan have been developed in line with the associated evidence base, which includes the Strategic Housing Market Assessment undertaken in 2016.

5.2.49 The Council is currently in the process of updating its Strategic Housing Market Assessment Volume II to include the implications of First Homes.²² Once complete, this evidence base document will inform the approach to First Homes when determining planning applications.

5.2.50 Under transitional arrangements, once the Council has an up to date adopted Local Plan, there is not an automatic need to reflect the requirement for First Homes when considering planning applications.²³

5.2.51 In addition, the Council has concerns over the operation of First Homes, including the following:

- The genuine affordability of this product to local residents that require assistance with their housing needs;
- The potential 'displacement' of other forms of affordable housing; the combination of the 30% discount and £250,000 price cap means that smaller (1- and 2-bed) units are likely to be the most attractive option for developers to provide as First Homes but these are the unit types where there is the most pressing need to secure affordable homes for rent;
- The potential impacts upon the viability of schemes to the detriment of affordable housing provision or other policy requirements or contributions; and
- The potential administrative burdens on the Council, particularly in relation to monitoring and enforcement, given any First Homes would not be transferred to a Registered Provider.

5.2.52 Given these concerns and the transitional arrangements, the Council will not normally support the provision of First Homes as part of the affordable housing mix. Nonetheless, the Council do recognise that National Planning Practice Guidance recommends a flexible approach to the delivery of First Homes²⁴ and, on occasion, there may be specific circumstances where it is necessary to consider their inclusion as an affordable housing product. The appropriateness of any First Homes will be considered on a case-by-case basis.

5.2.53 When assessing planning applications, First Homes will normally only be supported where it would not adversely impact upon:

- the overall proportion of affordable housing that can be achieved on site having regard to the targets in Policy HS2 of the emerging Local Plan and the guidance in this SPD;

²² As agreed at Cabinet held on 22 March 2022

²³ [First Homes - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/first-homes) Paragraph: 018 Reference ID: 70-018-20210524

²⁴ [First Homes - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/first-homes)

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

5.2.54 Furthermore, given that First Homes will not be transferred to a Registered Provider there are potentially significant administrative implications for the Council. Due to this, the Council reserves the right to require contributions towards monitoring and enforcement.

Evidence of housing need (Policy HS2(b)(ii))

5.2.55 The starting point for evidencing Affordable Housing need is the Council's latest Strategic Housing Market Assessment (SHMA). This provides advice on overall requirements and advised tenure and mix requirements for the whole District. The SHMA Volume II is currently being updated. We supplement data from district-wide studies, with more localised information.

5.2.56 Prospective applicants should contact the Council's Housing team for up-to-date housing register data. We work with Hertfordshire County Council's Adults Supported Accommodation Strategic Board to identify and address specific housing needs. Surveys for individual parishes are conducted in partnership with Parish Councils and Community Development Action's Rural Housing Enabler. Applicants should have regard to the findings for any up-to-date Parish surveys relevant to their site. Where a prospective applicant is considering bringing forward a significant scheme in a parish where there is no survey, or the survey is out of date, they should liaise with the Council at the earliest opportunity to determine whether it is practicable to produce or update a survey in advance of the submission of an application.

5.2.57 Where an applicant is considering gathering their own evidence to inform the assessment of housing needs for their own project(s), we encourage early engagement with the Council's Housing Team to ensure any survey is appropriately defined.

5.2.58 Any findings from the above will help inform whether there is justification to depart from the general tenure and mix requirements set out in the Local Plan and this SPD on a case-by-case basis.

- 5.2.59 Applicants will need to demonstrate compliance with any additional or alternate requirements in Neighbourhood Plans that are brought forward following adoption of the Local Plan²⁵.

Affordable Housing Mix (Policy HS2(b)(v))

- 5.2.60 The aim of the Plan is to meet assessed district-wide needs for Affordable Housing over the period to 2031. The starting point for consideration of appropriate housing mix will therefore be our most recent Strategic Housing Market Assessment. This document is currently being updated.
- 5.2.61 The current SHMA concludes that the requirements for Affordable Housing are split on an almost 50% / 50% basis between smaller (1- and 2-bed) and larger (3+bed) units. However, in calculating these requirements, it is assumed that current patterns of occupation will continue. Our Housing Strategy recognises there is evidence of 'under-occupation' of the existing Affordable Housing stock within the District. This is a particular issue with 3-bed homes given their prevalence across North Hertfordshire. The Local Plan recognises that increasing the proportion of smaller homes may, in particular, provide additional opportunities for older households to downsize. Most households in the top preference bands of the Council's Housing Register require smaller homes.
- 5.2.62 The above shows how the SHMA is the starting point for consideration of affordable housing mix and split. Other existing evidence shows the Council may seek a slightly higher proportion of smaller units. The Council may seek a differing proportion of unit sizes for affordable housing than that suggested by a straight reading of the SHMA based on all available evidence.
- 5.2.63 As set out above, we will consider whether any specific, local evidence justifies a departure from this general guidance on a case-by-case basis.
- 5.2.64 In considering the suitability of the proposed Affordable Housing mix, we will also have regard to other relevant policies of the Plan. Please refer to the following sections of this chapter in relation to self-build, older persons housing and housing accessibility.

Affordable Housing Design

- 5.2.65 Wherever practicable, affordable housing design should be tenure blind. It should be physically indistinguishable from the market housing and on larger sites be distributed across the site in small clusters, rather than concentrated on one of two parts of the site. Affordable Housing should be distributed in a way which ensures that access to key facilities such as schools, local shops and open space is equivalent to that provided for market homes.

²⁵ If policies in an adopted Local Plan conflict with policies in an adopted Neighbourhood Plan (or vice versa) the most recent plan policy takes precedence.

5.2.66 Policy D1 of the Local Plan states that new homes must meet the Government's minimum nationally described space standards. In some instances, space requirements for Affordable Housing may be set at a higher level. Where there is conflict between two (or more) standards, the highest (most spacious) will be applied to the Affordable Housing.

5.2.67 The Local Plan requires that, where more than 10 Affordable Housing units are to be provided, 10% of these should be to the higher M4(3) wheelchair user standard. The 10% requirement will be rounded to the nearest whole number based upon the Affordable Housing requirement. These should be provided within rented tenure units and to wheelchair accessible standards wherever possible. Where this approach is not considered viable (and subject to the general guidance on viability in the Local Plan and this SPD), we will consider whether provision of units to the wheelchair adaptable standard is an appropriate alternative.

Registered Providers

5.2.68 There are a large number of Registered Providers operating within the District. We do not have a preferred partner, nor do we recommend partners. We are able to provide contacts and facilitate introductions where required. The transfer of the Affordable Housing to the Registered Provider will normally be subject to a separate agreement with the applicant / developer. The Registered Provider will not normally be a signatory to the legal agreement.

5.2.69 Some forms of Affordable Housing do not need to be delivered by a Registered Provider. Where this is the case, we will consider whether it is appropriate to secure a bond or other form of guarantee in the legal agreement. Where the Council cannot secure nomination rights in accordance with the guidance below, we may request that the legal agreement restricts occupancy to households who cannot compete in the housing market.

Content of the legal agreement in relation to Affordable Housing

5.2.70 The Council fully expects affordable housing to be secured via Section 106 agreements. Any divergence from this approach to use planning conditions would only be considered in rare and exceptional cases, for instance where the applicant is a Registered Provider. This is due to the inherent risk to the delivery of affordable housing in the context of Section 73 applications.

5.2.71 The key provisions relating to Affordable Housing will be secured through the S106 legal agreement and, to the extent that is appropriate, any associated Nomination Agreement. It is expected that the legal agreement will normally contain (but is not necessarily limited to) the following information:

- The overall amount of Affordable Housing to be provided;
- Details of the tenure and type of Affordable Housing to be provided;
- Details of any specific standards to be met by the Affordable Housing
- Details of any trigger points for the construction and / or transfer of the Affordable Housing;

- Any Mortgagee in possession (or other similar) clauses to safeguard the provision of Affordable Housing;
- Any specific requirements in relation to nomination rights, lettings and cascades including qualifying persons and local connection criteria (see below); and
- Details of any applicable staircasing restrictions.

5.2.72 Where development is anticipated to occur over a number of phases, the provision of Affordable Housing should not normally be backloaded into later phases, but should be equally distributed among the phased development. This will be addressed through the inclusion of appropriate trigger points in the legal agreement.

5.2.73 Where outline permission is sought on an “up to...” basis, we may seek to secure a guaranteed minimum number of Affordable Housing units within the legal agreement. This is to ensure that the anticipated provision of Affordable Housing is not subsequently undermined (for example by submission of a detailed application for an alternate use on part of the same site).

Nomination rights, lettings and cascades

5.2.74 The Council will normally seek to secure 100% of initial nomination rights and at least 75% of nomination rights for subsequent re-lets. Nominations will be made in accordance with the Common Housing Allocations Scheme or any successor.

5.2.75 For development East of Luton (Local Plan Policy SP19), we will take this approach to a number of Affordable Housing units which will be calculated as follows:

$$\text{Agreed site-wide Affordable Housing provision (\%)} \times 150$$

5.2.76 This reflects the amount of that development required to meet the District's own housing needs. Initial nomination rights for the balance of the secured Affordable Housing will be reserved for applicants on Luton Borough Council's Housing Register or joint housing register as may be agreed. Any subsequent nominations will return to North Hertfordshire Council.

5.2.77 Insofar as is practicable, the units designated to each authority will contain a proportionate mix of tenures, unit sizes and accessibility adaptation consistent with the overall requirements of our policies and this SPD.

5.2.78 In the event of any future developments that are specifically intended to meet the unmet housing requirements of another Local Planning Authority, a similar approach will be taken.

5.2.79 In the rural Designated Protection Areas, we normally operate the following cascade to prioritise the allocation of affordable housing:

- Applicants from within the Parish;
- Applicants from adjoining Parishes;
- Applicants from other rural parishes in North Hertfordshire;

- Applicants from elsewhere in the District.

5.2.80 This approach will normally be continued on smaller rural sites. However, some rural parishes have significant development allocations in the new Local Plan – either because they physically adjoin larger towns or because they have been identified as locations capable of meeting a wider-than-local need. In the following parishes and for the following developments we will determine the most appropriate cascade mechanism on a case-by-case basis:

- Barkway – Site BK3
- Bygrave – Site BA1
- Clothall – Sites BA2 and BA3
- Graveley – Site NS1
- Ickleford – Site IC3
- Offley – Sites EL1, EL2 & EL3
- Weston – Site GA2
- Wymondley – Site WY1

Subsequent occupiers

5.2.81 The measures above will normally secure the Affordable Housing provision on new development sites for subsequent occupiers. However, it is recognised that some units may eventually be lost from the Affordable Housing stock through Right to Buy, by achieving 100% ownership of intermediate products through 'staircasing' or through any additional or successor arrangements.

5.2.82 Presently, these rights and the recycling of monies received through these events are subject to their own regulation and will not normally need to be reflected in the legal agreement.

Deeds of variation

5.2.83 We sometimes receive applications to vary the conditions of the legal agreement following completion of the scheme and / or its transfer to the Registered Provider. In the past, these have mainly related to shared ownership units and / or the cascade mechanism where it has not been possible to allocate the Affordable Housing within the terms of the original agreement. In turn, this is often linked to the (un)affordability of the products.

5.2.84 By following the requirements of our Local Plan policies and the guidance in this SPD and other relevant strategies, the need to vary the legal agreement should only arise in exceptional circumstances.

5.2.85 Any Deed of Variation applications should be accompanied by robust evidence, including upon viability where relevant and follow the principles set out Section 2 of this document.

Review mechanisms (Policy HS2(c)(ii))

- 5.2.86 The general approach to review mechanisms for legal agreements is set out in Section 2 of this SPD. Where viability improves such as to trigger a review, we will take a fair and proportionate approach. Affordable Housing targets will be applied to the remaining phases or quanta of development at the point of review in line with the requirements of Policy HS2 and this SPD. We will not normally use review mechanisms to seek above target levels of Affordable Housing provision on future phases of development in order to make up for previous shortfalls.

5.3 Self-build

- 5.3.1 Our policies require that 1% of plots on Strategic Housing Sites are reserved for self-build. We will have regard to the self-build register and encourage the provision of self-build plots on other sites where there is proven evidence of demand. Neighbourhood Plans may set requirements for self-build. Councils may additionally need to have regard to statutory requirements relating to self-build in other, non-planning functions such as land disposal.
- 5.3.2 The delivery of self-build sites, or proportion of sites as self-build opportunities, brings complexities, as detailed below. Considering the depth of considerations for the appropriate delivery of self-build housing, it is highly likely that any approval of such housing will require planning obligations, rather than conditions, to secure the details of delivery. As a result, guidance in what is required to be considered in delivery of self-build housing is set out below to inform heads of terms and eventual agreed obligations.
- 5.3.3 For the purposes of planning policy, Custom and Self-build dwellings share the same definition and the terms can be used interchangeably. Custom Build is where a person appoints a specialist developer to help build their own home. Self-build is where a person is more directly involved in organising and constructing their own home.
- 5.3.4 Where self-build plots are to be delivered we will secure, by legal agreement or condition as appropriate in each instance:
- The number and location of plots to be delivered for self-build;
 - The trigger point(s) for the provision and / or marketing of the serviced plots;
 - The transfer of the plots where the developer does not wish to retain or market them for self-build;
 - The means by which detailed permission(s) for the self-build plots shall be obtained;
 - Reversion clauses or similar allowing for the return of the plot to the developer and / or the use of any unsold self-build plots for other forms of housing; and / or
 - Time limits for the commencement and / or completion of development on any self-build plots.

- 5.3.5 The Council maintains a Self-Build and Custom Housebuilding Register in accordance with relevant regulations. This contains details of persons interested in acquiring plots of land for self-build.
- 5.3.6 Where relevant developments come forward, the Council will notify those on the Self-Build and Custom Housebuilding Register of any upcoming opportunities.
- 5.3.7 Where the developer does not wish to market self-build plots themselves, the freehold of the area that will contain the serviced plots should be transferred to the Council for a nominal sum. This sum may include the recovery of a reasonable proportion of the S106 costs attached to the site as a whole and / or the costs of providing services to those plots where this occurs prior to, or as a condition of, the transfer. The Council will then undertake the marketing and sale of the plots.
- 5.3.8 Prior to the marketing of any self-build plots, the body responsible for their disposal shall secure an appropriate permission or planning framework for the whole of the self-build area detailing:
- The highway layout
 - The provision of services;
 - Any incidental or communal landscaping, open space or similar;
 - The extent of the individual self-build plots
 - The unit type of the individual self-build plots
 - Vehicular access and parking provision
 - Key design parameters including
 - Fixed positions or zones for front and rear facades
 - Maximum building heights
 - Maximum internal floor areas
 - A palette of materials
- 5.3.9 This approach strikes a reasonable balance between individuality and ensuring the site as a whole remains coherent in design terms. The permission should be sufficiently flexible to allow for innovative design and methods of construction. It should also ensure sufficient scope remains for future plot owners to have a meaningful input into the final design of their home. The factors above may be identified and / or secured through a design code (or similar) attached to a hybrid application²⁶.
- 5.3.10 The Council will consider whether it is expedient to introduce a Local Development Order, or other form of simplified planning framework, for self-build areas on a case-by-case basis.
- 5.3.11 Any marketing period should be of sufficient length to give interested parties reasonable opportunity to investigate likely acquisition and build costs and draw

²⁶ In this instance, the final, detailed design of individual homes may be secured through a discharge of condition application (or similar) by the intended occupier upon, or prior to, acquisition of the plot.

together appropriate funding. This may include securing in principle agreements for finance and / or quotes or expressions of interest from builders or developers to deliver the scheme where they will seek assistance in building their home. Plots should be made available at a reasonable market value so as to encourage, rather than deter, their uptake.

- 5.3.12 Our expectation is that any reversion clause will allow for a minimum two-year marketing period for self-build. Shorter periods will only be entertained when the applicant expects the remainder of the site to be completed more quickly. On Strategic sites, or other schemes where development is to be phased, it may be appropriate to seek longer clauses to maximise the opportunity for self-build plots to be taken up.
- 5.3.13 In all instances, self-build plots should be delivered in a timeframe that is compatible with the delivery of the site as a whole. Equally it is necessary to ensure that the site can be fully built out in the absence of interest in (all of) the self-build plots; unbuilt or incomplete plots on an otherwise completed scheme would detract from the Government's aim to create high quality places.

6 DESIGN

Local Plan Policies	Other relevant Strategies & Guidance
<ul style="list-style-type: none"> ➤ SP9: Design and sustainability ➤ D1: Sustainable Design ➤ D3: Protecting living conditions ➤ D4: Air quality 	<ul style="list-style-type: none"> ➤ Design SPD ➤ Baldock Air Quality Paper ➤ NHDC Note to Local Plan Inspector on Air Quality ➤ Hertfordshire Waste Strategy 2002-2024 ➤ Sustainability Principles 2022 ➤ Design Review Protocol 2022

6.1 Policy context

- 6.1.1 National policy recognises that good design is a key aspect of sustainable development²⁷. The Local Plan contains policies focused on ensuring that design responds positively to local context and that suitable mitigation measures can be delivered through the planning process.

6.2 Design

- 6.2.1 The general design requirements of the Plan will normally be met through consideration of planning applications and, where appropriate, the use of planning conditions. However, there may be some instances where contributions are sought towards schemes which delivery upon the design aspirations of the Plan (see, for example, Section 7.6 on public realm).

6.3 Sustainable construction methods

- 6.3.1 Local Plan Policy D1 Sustainable design outlines that development proposals are required to consider the potential to minimise the impact on the environment during both construction and throughout the lifetime of the development. The Council may require planning conditions and/or legal agreements, such as sustainable material sourcing, to achieve this.

6.4 Protecting living conditions

- 6.4.1 Policy D3 seeks to secure protection against potential statutory nuisances and other impacts which may adversely impact upon living conditions.
- 6.4.2 There may be requirement for reciprocal measures to be secured from proposed development in adjoining authorities under the arrangements set out in Section 1.8. This may include, but is not necessarily limited to, any future schemes at London Luton Airport.

²⁷ NPPF Paragraph 126

6.5 Air quality monitoring

- 6.5.1 Legal agreements may be used to ensure that there are appropriate levels of monitoring and mitigation to minimise development impacts in line with Local Plan Policy D4 Air quality. This is particularly relevant where development proposals are likely to create additional road traffic.
- 6.5.2 Policy D4 sets out the circumstances in which an air quality impact assessment will be required. Strategic Housing Sites in particular will be expected to carry out or otherwise fund ongoing air quality monitoring before, during and after construction of their schemes. This may also be required of other significant or sensitive developments within the District or where the cumulative impacts of development may lead to an air quality issue.
- 6.5.3 The Council's own monitoring will be used to provide a baseline of data across the District against which applicant's data can be benchmarked and calibrated. The Council may require contributions towards equipment.
- 6.5.4 Methods to reduce emissions may include: design of development, encouraging the use of public transport and car sharing, promoting low emission vehicle use, road and traffic management schemes as well as appropriate parking standards. These methods may be secured at planning application stage via planning conditions and/or legal agreement.
- 6.5.5 Where air quality impact assessments are required and where those assessments predict that an adverse impact on local air quality will occur there will be a requirement for the Defra 'air pollution damage costs' approach to be applied. This air pollution economic analysis damage costs approach is founded upon the application of Defra's Emissions Factors Toolkit and Central Government's Interdepartmental Group on Costs and Benefits (IGCB) guidance. Further information can be found in the NHDC Air Quality Planning Guidance Document.
- 6.5.6 The financial contributions calculated by the 'air pollution damage costs' approach will need to be targeted to air pollution mitigation measures that are relevant to the development in question and of specific benefit to the local areas that have been identified as being adversely impacted by that development.
- 6.5.7 Identified measures or contributions will be secured by condition or legal agreement as appropriate in each instance.

6.6 Waste collection and recycling

- 6.6.1 A waste collection and recycling programme for North Hertfordshire is contained within the Hertfordshire Joint Municipal Waste Management Strategy 2007²⁸. This has been modified since it was published and in September 2005 the Council agreed a

28 Hertfordshire Joint Municipal Waste Management Strategy 2007

programme that would ensure additional kerbside recycling facilities for all properties by September 2007.

- 6.6.2 Properties with no immediate access to the rear, together with flats may have no obvious means for storage of waste and recycling containers. This results in containers being permanently left in front gardens or by the roadside. Therefore, development schemes will be required to ensure appropriate arrangement for the storage of waste collection and recycling containers at the outset. This may be through communal shelters. This is to ensure conformity with Local Plan Policy D1 Sustainable design to reduce waste and consider the visual impacts of a development.
- 6.6.3 The revenue costs of waste collection are covered through Council Tax. However, in the case of large-scale residential development, implementation costs may be required to cover the purchase of additional vehicles and setting up new or extended rounds. Contributions towards the provision of recycling banks and land to accommodate these will also be required for large development schemes.
- 6.6.4 Under the Environmental Protection Act 1990, Hertfordshire County Council is required to perform the statutory functions of the Waste Disposal Authority (WDA) for Hertfordshire. The WDA is also required to provide facilities in its area where residents may deposit their own household waste free of charge. In Hertfordshire, these facilities are known as Household Waste Recycling Centres (HWRCs).
- 6.6.5 As WDA, Hertfordshire County Council is responsible for the disposal of Local Authority Collected Waste (LACW) arising in the county. LACW consists of household waste and commercial waste collected by the ten Borough and District Councils in their role as the Waste Collection Authorities (WCA's) for Hertfordshire and waste collected at the county's HWRCs.
- 6.6.6 To support this disposal function, the County Council manages a network of 17 Household Waste Recycling Centres (HWRC). An increase in population within Hertfordshire as a result of new residential development is likely to require increased investment in waste disposal infrastructure.
- 6.6.7 The impact of additional dwellings on waste management infrastructure will vary depending on the size of the development and its location. Therefore, it may be necessary to develop new infrastructure or improve existing infrastructure. For example, should an existing HWRC be identified as having insufficient capacity to accommodate increased usage due to additional dwellings, financial contributions will be identified towards increasing the capacity of the local service provision. This may be achieved through improvements to existing facilities or the development of a new HWRC.

7 HEALTHY COMMUNITIES

Local Plan Policies	Other relevant Strategies & Guidance
<ul style="list-style-type: none"> ➤ SP4: Town Centres, Local Centres and Community Shops ➤ SP10: Healthy communities ➤ ETC3: New retail, leisure and other main town centre development ➤ ETC8: Tourism ➤ CGB2b: Community facilities, services and affordable housing in the Rural Area beyond the Green Belt ➤ HE4: Archaeology ➤ Site-specific policy criteria 	<ul style="list-style-type: none"> ➤ North Hertfordshire Indoor Sports Facilities Strategy and Action Plan ➤ Community Halls Strategy for North Hertfordshire ➤ Hertfordshire County Council Guide to Developer Infrastructure Contributions²⁹

7.1 Policy context

7.1.1 The NPPF requires us to plan positively for the provision and use of shared spaces, community facilities and other local services to enhance the sustainability of communities and residential environments³⁰.

7.1.2 The Local Plan recognises that the provision of adequate social infrastructure is essential to the successful delivery of the levels of growth over the plan period. Social infrastructure encompasses a range of facilities, including but not limited to: health services, educational facilities, libraries, arts and cultural facilities, community facilities, and indoor sports and leisure facilities.

7.1.3 Local Plan Policy SP10 Healthy communities states that the Council will work with

- Hertfordshire County Council as the Local Education Authority, as well as other education providers to ensure sufficient school places to meet the needs of the population. This includes early years, primary, secondary and sixth-form education along with special needs services and facilities;
- the NHS Trust and Clinical Commissioning Groups (CCGs) and other relevant providers to ensure that adequate healthcare facilities are available; and
- Other providers to deliver appropriate levels of new community, cultural, leisure and built sport and recreational facilities.

²⁹ Hertfordshire County Council Guide to Developer Infrastructure Contributions, [Planning obligations and developer infrastructure contributions | Hertfordshire County Council](#)

³⁰ NPPF Paragraph 93

- 7.1.4 Policy ETC8 Tourism sets out that planning permission will be granted where development increases attractiveness of the District as a tourist destination and delivers sustainable tourist and visitor attractions in appropriate locations.
- 7.1.5 Hertfordshire County Council is responsible for collecting contributions towards a number of the facilities identified in this section. The Council will be guided by their response(s) in determining measures required to mitigate impacts upon relevant social infrastructure. Hertfordshire County Council Guide to Developer Infrastructure Contributions³¹ provides an indication of the scale of requests they are likely to make in response to planning application consultations, along with the associated justification.
- 7.1.6 Taken together, requests for social infrastructure are normally the largest single ‘ask’ of applicants on new development schemes. We will have regard to these requests in accordance with the general approach set out in Section 2 of this document. The Council will consider potential for other sources of funding, such as direct funding from Government departments or agencies, when planning new social infrastructure provision.

7.2 Education and early years

- 7.2.1 Planning applications, especially those relating to the largest developments will be expected to contribute to education provision serving the development. This may include serviced land as well as financial contributions. Discussions should be undertaken at an early stage with Hertfordshire County Council to ensure appropriate and well-located facilities³² can be delivered in a timely way. This includes having regard to the Hertfordshire County Council Guide to Developer Infrastructure Contributions³³ to determine the demand for school and early years places based on forecasted child yield.
- 7.2.2 Where education mitigation is required, the financial contributions from the development will be based on the proposed education project. In some cases, this may require contributions from smaller-scale developments towards new school provision, which will be based on the costs of new school provision. Where a development site includes new education provision on-site, be it expansion to an existing school or a new school, then the provision of, and/or contributions towards, serviced land will also be required. Hertfordshire County Council have a land specification which should be adhered to wherever practicable.

³¹ Hertfordshire County Council Guide to Developer Infrastructure Contributions, [Planning obligations and developer infrastructure contributions | Hertfordshire County Council](#)

³² Hertfordshire County Council will require a full consideration of the land needed for any proposed school provision, taking into account a range of criteria including flood risk and the gradient of the development site.

³³ Hertfordshire County Council Guide to Developer Infrastructure Contributions, [Planning obligations and developer infrastructure contributions | Hertfordshire County Council](#)

- 7.2.3 A number of sites in the Local Plan contain policy requirements to provide land for education requirements arising from (planned developments in) the wider area. In these instances, requests for financial contributions towards the construction of built facilities on this land will be proportionate having regard to the likely pupil yield of the individual development(s). The balance of funding to deliver the facilities will be derived from other developments in the area or other sources.

7.3 Youth Provision

- 7.3.1 Given that youth work provided by YC Hertfordshire is predominantly delivered from locally accessible buildings and tailored to youth projects, developments may be required to contribute to increasing the services and capacity to accommodate the needs of any additional young people brought about through housing development. This is most likely to create a need for additional buildings or enhancing / improving / developing an existing centre or space.
- 7.3.2 Discussions should be undertaken at an early stage with Hertfordshire County Council to ensure that there is sufficient capacity of youth facilities to mitigate the implications of the proposed development. This includes having regard to the Hertfordshire County Council Guide to Developer Infrastructure Contributions to determine the level of contributions expected to be provided from the proposed development.

7.4 Health

- 7.4.1 The largest development sites should make provision for new, on-site healthcare facilities and this will be secured through legal agreements.
- 7.4.2 Where land is transferred to the NHS this will be provided as freehold transfer or rent free.
- 7.4.3 The threshold for on-site provision is set out in the table below. The East and North Hertfordshire NHS Trust deliver hospital services and GP surgeries and other secondary facilities are primarily managed by the East and North Hertfordshire Clinical Commissioning Group.
- 7.4.4 Requests for health contributions are normally based upon the following standard formula. Please note that the figures below are subject to change over time and may be index linked to reflect this.

Acute healthcare	£2,214.46 per residential unit
Mental healthcare	£194.46 per residential unit
Community healthcare	£182.03 per residential unit
GP / GMS costs	<ul style="list-style-type: none"> ➤ Multiply number of residential units by 2.4 to calculate number of new patients; ➤ Divide number of patients by 2000 to determine number of GPs required; ➤ Multiply number of GPs required by 199 to determine m² of additional space required

	➤ Require m2 of additional space required by £2,964 to calculate build cost including fit out and fees
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7.4.5 Providers have identified that many practices still retain extensive paper records at their premises. This is space which could, subject to various considerations, be used to help provide additional patient capacity. Contributions may therefore be sought in future towards the digitising of records and / or offsite storage as a means of releasing additional capacity to meet demands generated by new development. It must however be demonstrated that the space saved can be meaningfully used as additional clinical space and how this new space can be secured through the digitisation project. If internal or external permanent alterations are also required it would be more appropriate for S106 contributions to fund the physical building works rather than the digitisation project itself.

7.4.6 For health contributions of less than £250,000 the Council will not require the NHS to be signatories to planning obligations. For strategic sites and any contributions greater than £250,000 the Council will require the NHS to be direct recipients of any funds from developers at payment stage, either as signatories to associated legal agreements or recipients of funds from unilateral undertakings from developers.

7.5 Indoor sports facilities

7.5.1 In line with Local Plan policy SP10: Healthy communities the Council will support the retention of existing leisure facilities and require appropriate levels of leisure and sport and recreation facilities to be provided in new development. Where replacement facilities are required by Policy HC1: Community facilities, these will be secured by legal agreement and / or Grampian condition upon the site which is to be redeveloped.

7.5.2 New developments will be expected to contribute proportionately towards the provision of additional facilities to meet future demands. The most up to date Indoor Sports Facilities Strategy and Action Plan sets out a series of management and programming actions and this should be used to identify projects for future developer contributions.

7.6 Arts, culture and public realm

7.6.1 Arts and culture contributions may relate to museums, arts or heritage assets. Contributions may also be sought for public realm improvements that improve the attractiveness and character of the District.

7.6.2 It is recognised that a number of the proposed allocations in the Local Plan are extensive greenfield sites. These may yield a significant quantity of archaeological material when they are explored in compliance with Policy HE4 of the plan. This is particularly the case in areas of known historic importance such as the land around Baldock.

- 7.6.3 Contributions may be sought towards new public facilities that allow the preservation and display of archaeological remains; to enhance and/or expand existing facilities; or to deliver improvements to a heritage asset in situ.
- 7.6.4 The Council will seek contributions towards other public realm and public facilities, including public conveniences, where necessary and reasonable. This is underpinned by policy D1 Sustainable Design that seeks to create or enhance public realm and design-out opportunities for crime and anti-social behaviour.

7.7 Libraries

- 7.7.1 Library provision can range from large central libraries within towns to community libraries, resource centres providing electronic access to services within multi-use buildings and mobile facilities.
- 7.7.2 Hertfordshire County Council has a statutory duty to provide a library service and applicants should have regard to Hertfordshire County Council Guide to Developer Infrastructure Contributions ³⁴ to inform the contributions required.

7.8 Community facilities including Town and Village Halls

- 7.8.1 The Plan's policies require that appropriate community hall facilities are available and that new facilities are provided where needed as a result of development proposals.
- 7.8.2 The Council will encourage the development and use of such facilities as multi-functional community centres. These can act as 'hubs', offering a range of facilities to support the creation of sustainable communities.
- 7.8.3 The most up to date Community Halls Strategy for North Hertfordshire includes an Action Plan that can be used to inform required developer contributions. Further projects may be set out in Neighbourhood Plans, Parish Council strategies or similar. Engagement with the appropriate Parish, Town or Community Councils should be undertaken.
- 7.8.4 Where new community centres are to be provided within new development, the Council will expect, in most instances, the freehold of the new centre to be transferred to the Council for a nominal fee and for appropriate ongoing management arrangements to be demonstrated. It will be incumbent on the developer to evidence the proposed management arrangements and potential contributions towards on-going management to be proportionate and sustainable.

7.9 Fire and rescue services and community safety

- 7.9.1 Hertfordshire County Council is the Fire Authority and has a statutory duty to ensure that all developments are provided with adequate water supplies for fire-fighting as

³⁴ Hertfordshire County Council Guide to Developer Infrastructure Contributions, [Planning obligations and developer infrastructure contributions | Hertfordshire County Council](#)

well as provision is made for emergency response arrangements under the Fire and Rescue Services Act 2004³⁵.

- 7.9.2 Conditions will be used to ensure that the developer provides fire hydrants based on one hydrant within 90 metres of each property. The Hertfordshire County Council Guide for Developer Contributions contains technical advice and recommended wording for planning conditions for fire hydrants.
- 7.9.3 The provision of adequate water supplies for firefighting purposes e.g. suitable and sufficient water mains and hydrants should be determined at the same time as the water services are planned in detail. This is usually following planning consent.
- 7.9.4 The ability for large-scale developments to be adequately served by fire and rescue services will be assessed on an individual basis. Any impacts will need to be addressed through planning conditions and/ or obligations. This may be through the provision a new fire station or an extension to an existing facility.
- 7.9.5 Hertfordshire Fire & Rescue Service on behalf of the Fire Authority would always recommend consideration for the placement of sprinkler systems in all buildings and new developments to form part of an integrated fire safety provision.
- 7.9.6 Contributions may be sought from development schemes which have the potential to increase the demand on the Hertfordshire Fire and Rescue Service (HFRS) as currently provided across the respective Council area. In those cases, HFRS may seek planning obligations towards fire and rescue services.
- 7.9.7 Police services are provided through the Office of The Police and Crime Commissioner for Hertfordshire and contribute to the overall well – being of local communities. Police infrastructure comprises fixed property and technology assets; and human resources, which includes Local Community Policing, victim support, and crime reduction initiatives such as use of CCTV. These can arise either locally, or as a result of cross – boundary considerations where scale and efficiency of operation require policing facilities to be located out with the boundaries of the local authority. The Council will therefore require development, where required and appropriate, to contribute towards the delivery of policing infrastructure to serve new developments and mitigate against their impact upon existing police resources.
- 7.9.8 In line with Local Plan Policy D1 Sustainable Design applicants, should demonstrate that opportunities for crime and anti-social behaviour have been designed-out. Hertfordshire Constabulary will be consulted on planning applications where it is considered that there may be an impact in terms of community safety.
- 7.9.9 Where it is expected that the proposed development will generate a need for extra policing, resources and extensions to or new police buildings, this will be sought through legal agreements.

³⁵ Fire and Rescue Services Act 2004

- 7.9.10 Contributions towards CCTV will be sought on a case-by-case basis where needed to cover the cost of equipment, installation, maintenance and running costs.

7.10 Information Technology

- 7.10.1 Internet and mobile coverage across the District are generally quite good, though there are pockets where this is not the case, particularly in more rural areas.
- 7.10.2 All new developments should be able to plan-in the provision of high quality (superfast) communication infrastructure in consultation with providers. Early engagement is recommended. This avoids the need to retrofit cabling or other required facilities in recently completed schemes. It also increases the saleability of new properties. Where appropriate, we will secure the provision of high-speed connectivity with new development, normally by condition.
- 7.10.3 Where development is proposed in an area that currently has a lower quality of coverage, the Council may additionally seek contributions towards wider projects aimed at boosting high-speed communications coverage. This will help to ensure that North Hertfordshire residents have the best possible access.
- 7.10.4 This approach supports the rise in homeworking and the need to manage private vehicle use in accordance with local and county transport policy.

8 NATURAL ENVIRONMENT

Local Plan Policies	Other relevant Strategies & Guidance
<ul style="list-style-type: none"> ➤ SP11: Natural resources and sustainability ➤ SP12: Green Infrastructure, landscape and biodiversity ➤ D1: Sustainable design ➤ Policy NEx: Strategic green infrastructure ➤ NEx: Biodiversity and geological sites ➤ NE4: Protecting open space ➤ NEx: New and improved open space ➤ NE7: Reducing flood risk ➤ Policy ➤ NE8: Sustainable drainage systems ➤ NE9: Water quality and environment ➤ NE10: Water conservation and wastewater infrastructure ➤ NE11: Contaminated land ➤ NE12: Renewable and low carbon energy development ➤ Site-specific policy criteria 	<ul style="list-style-type: none"> ➤ North Hertfordshire Council's Climate Change Strategy ➤ North Hertfordshire Playing Pitch Strategy and Action Plan 2018 ➤ A Green Space Management Strategy for North Hertfordshire 2021 ➤ Open Space Review 2016 ➤ Hertfordshire Rights of Way Improvement Plan ➤ NHDC Local Cycling and Walking Infrastructure Plan (LCWIP)* ➤ Planning for biodiversity and the natural environment in Hertfordshire: guiding principles ➤ Hertfordshire Biodiversity Action Plan ➤ Biodiversity Strategic Action Plan (BSAP) from the Hertfordshire Climate Change and Sustainability Partnership (HCCSP) ➤ Hertfordshire County Council Guide to Developer Infrastructure Contributions³⁶ ➤ Therfield Heath SSSI Mitigation Strategy* ➤ North Hertfordshire Green Infrastructure Strategy 2009 ➤ NHDC Green Space Action Plans (various) ➤ Strategic Flood Risk Assessment Update (2016) ➤ Affinity Water Draft Drought Management Plan 2022 ➤ Hertfordshire Renewable and Low Carbon Energy Technical Study

³⁶ Hertfordshire County Council Guide to Developer Infrastructure Contributions, [Planning obligations and developer infrastructure contributions | Hertfordshire County Council](#)

	➤ Thames and Great Ouse River Basin Management Plan
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*Forthcoming

8.1 Policy context

- 8.1.1 The NPPF identifies that access to a network of high quality open spaces is important for the health and well-being of communities³⁷. It also seeks to minimise impacts on, and provide net gains for, biodiversity and advocates a proactive approach to mitigating and adapting to climate change³⁸.
- 8.1.2 Open spaces are a defining feature of North Hertfordshire and provide a valuable resource for recreation, sports and culture. The quality of the open spaces is critical to ensure that active lifestyles can be promoted.
- 8.1.3 The Local Plan contains a range of policy requirements relating to open space and the natural environment which, collectively, seek the provision and retention of a network of quality spaces.
- 8.1.4 These policy requirements are supported by a breadth of supporting strategies produced by the Council, County Council and other bodies.

8.2 Biodiversity

Policy Background

- 8.2.1 Biodiversity net gain (BNG) is an approach to development, and/or land management, that aims to leave the natural environment in a measurably better state than it was beforehand.
- 8.2.2 The Environment Act 2021 sets out the following key components of mandatory biodiversity gain:
- Amends the Town and Country Planning Act
 - Minimum 10% gain required calculated using the Biodiversity Metric and approval of a biodiversity gain plan
 - Habitat secured for at least 30 years via planning obligations or conservation covenants
 - Delivered on-site, off-site or via a new statutory biodiversity credits scheme; and

³⁷ NPPF Paragraph 98

³⁸ NPPF Paragraphs 153 and 174

- National register for net gain delivery sites
- It does not change the existing legal protections for important habitats and wildlife species. It maintains the mitigation hierarchy of avoid impacts first, then mitigate and only compensate as a last resort.

8.2.3 Policy Nex Biodiversity and Geological Sites states *that planning permission will only be granted for development proposals that appropriately protect, enhance and manage biodiversity in accordance with the hierarchy and status of designations and features listed in policy SP12. All development should deliver measurable net gains for biodiversity and geodiversity, contribute to ecological networks and the water environment and restore degraded or isolated habitats where possible.*

8.2.4 The policy also *requires the integration of appropriate buffers of complimentary habitat for designated sites and other connective features, wildlife habitats, priority habitats and species into the ecological mitigation and design. The appropriateness of any buffers will be considered having regard to the status of the relevant habitat. 12 metres of complimentary habitat should be provided around wildlife sites (locally designated sites and above), trees and hedgerows. It may be necessary to exceed this distance for fragile habitats such as ancient woodland or to provide appropriate root protection for mature trees. A long-term management and monitoring plan including mitigation measures as necessary is also required.*

8.2.5 In addition, the Local Plan promotes a master plan led approach to deliver a net gain for biodiversity as set out in Policy SP9 Design & Sustainability. Strategic Masterplans where required should ‘*Create a multi-functional green infrastructure network that provides a high-quality integrated network to support ecological connectivity, biodiversity net gain, climate adaptation and mitigation linking into the wider Ecological Network*’.

8.2.6 The Environment Act 2021 introduces a mandatory requirement for new development to deliver a net gain for biodiversity of at least 10% calculated using the DEFRA Biodiversity Metric (latest version 3.1). Once the mandatory requirement for BNG is in place (expected to be Winter 2023), it will be a legislative requirement. The Government's response to the 2018 consultation on net gain set out that there would be a 2 year implementation period for mandatory BNG once the Environment Bill received Royal Assent and became the Act (which happened on 9 November 2021). The Act includes provision for secondary legislation to set a date for the requirement to come into force.

8.2.7 Whilst the Local Plan does not specify a target for BNG, the Council are taking a proactive and masterplan led approach to encouraging new developments to achieve a net gain for biodiversity of at least 10%.

Biodiversity Net Gain and the Biodiversity Metric

8.2.8 The Biodiversity Metric 3.0 was launched by DEFRA in July 2021. An update 3.1 was published in April 2022. A consultation on the Biodiversity Metric 3.1 and the Small Sites Metric will conclude in September 2022.

8.2.9 The Council will expect applicants to assess BNG using the Biodiversity Metric 3.1 or the most up to date version. The biodiversity metric is a habitat-based approach used to assess an area's value to wildlife. The metric uses habitat features as a proxy to calculate a biodiversity value. The metric is used to assess the biodiversity unit value of an area of land, demonstrate biodiversity net gains or losses in a consistent way, measure and account for direct impacts on biodiversity and to compare proposals for a site, such as creating habitat on site or off site. It can help to design, plan and make land management decisions that take better account of biodiversity. It should be used by a professional qualified and experienced ecologist. To use the metric you need to know, the types of habitat on site, the size of each habitat parcel, the condition of each habitat parcel, whether the sites are in locations identified as local nature priorities.

8.2.10 The biodiversity metric calculation tool and user guide are published on Natural England's Access to Evidence website.

Mitigation Hierarchy

8.2.11 Biodiversity Net Gain should be delivered in the context of the following Mitigation Hierarchy:

Avoid: where possible habitat damage should be avoided	Minimise: where possible habitat damage and loss should be minimised	Remediate: where possible any damaged or lost habitat should be restored	Compensate: As a last resort damaged or lost habitat should be compensated for
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8.2.12 Applicants will be required to demonstrate to the Council that all methods of avoidance have been fully explored and all new development should seek to deliver BNG on site within the red line application boundary. Where on-site provision is not possible off-site compensation will be required and this approach should be agreed with the LPA (Local Planning Authority). Development proposals must clearly demonstrate that a net gain in biodiversity can be achieved and secured for 30 years.

Evidence and reporting requirements³⁹

8.2.13 The Council already require a Preliminary Ecological Appraisal or Ecological Impact Assessment to be submitted with most types of planning applications. These will now be required to contain a specific section entitled 'Biodiversity Net Gain' which must clearly show how the site has been assessed using the Biodiversity Metric (latest version). This will demonstrate the baseline habitat value of the site (pre development) and the post development habitat value.

³⁹ CIEEM have published Biodiversity Net Gain Report and Audit Templates that provide a framework for writing reports for projects aiming to achieve BNG. This should inform the report writing approach.

- 8.2.14 Where it is apparent that the baseline habitat value of the site has been negatively affected prior to assessment, the Council will require an assessment of the site based on the habitat condition prior to any intervention (i.e. removal of vegetation). This could be based on previous aerial photography and environmental records.
- 8.2.15 A habitat baseline plan should be produced using the UK Habitat Classification⁴⁰. This may be produced using information from the PEA Report or EcIA Report. This should clearly show the habitat types and area and length of any habitat type or habitat parcel. A reference number for each habitat parcel should cross reference to the metric. Baseline maps showing linear features e.g., hedgerows, rivers and streams should be provided in spatially accurate digital drawings.
- 8.2.16 Following the baseline habitat conditions the report should demonstrate how compliance with the BNG 10 good practice principles⁴¹ has been applied as part of the net gain assessment.
- 8.2.17 A BNG plan (or proposed habitats plan) should be provided that clearly cross references to the metric habitat calculations. It can be based on the site layout plan, illustrative masterplan, strategic masterplan or green infrastructure parameter plan depending on the nature of the planning application.
- 8.2.18 Habitats should be mapped using the UK Habitat Classification (to allow comparison with the baseline situation). This plan should clearly show what habitats are to be retained and enhanced and what new habitat types will be created through clear colour coding. The area (ha) or length (km) of each habitat type should be quantified with spatially accurate digital drawings. Other proposed biodiversity enhancements should also be described in this section and shown on appropriately scaled plans e.g., bird and bat boxes, hedgehog highways and mitigation for protected/priority species.
- 8.2.19 The completed Excel spreadsheet, including the full calculations that lead to the final biodiversity unit scores must be submitted to the Council to allow the full analysis and scrutiny of the information. The information in the metric should be directly related to the Habitat Baseline Plan and Proposed Habitats Plan. Summary results or extracts of any metric calculation would not be sufficient alone. Where appropriate detailed justifications for the choice of habitat types, distinctiveness and condition should be added to the comments column and explained in the report. All assumptions made in the metric should be clearly identifiable. Different habitat parcels should be individually referenced and identifiable on the relevant drawings so that these can be cross referenced with the Biodiversity Metric.
- 8.2.20 The Council will be seeking to determine if in principle the application has the capacity to comply with relevant Local Plan policies. The BNG plan will be approved as part of the any outline permission.

⁴⁰ The UK Habitat Classification avail from www.ukhab.org

⁴¹ BNG Good Practice Principles for Development 2016 CIEEM, IEMA and CIRIA

- 8.2.21 The BNG section of the report should provide sufficient detail that biodiversity gains and anticipated 'condition' of the habitat can be realistically achieved within the site framework. It is important that other land uses and land use budget is considered at outline stage and that there is no double counting (i.e. with recreational, sport and other green space types).
- 8.2.22 The final section should include a Project Implementation and Construction Plan and Management or Monitoring Plan. This should include the required aftercare maintenance and long-term habitat management of habitat features, how management will be implemented for a minimum period of 30 years and what monitoring will be implemented during and after construction. This is to ensure that all on site and off site BNG is delivered to the required state and condition (where appropriate this will be required as a planning condition as part of the Landscape and Ecological Management Plan) for a 30 year lifespan of the project.
- 8.2.23 It is expected that the majority of strategic and phased development will require a re-submission of the BNG Report with each subsequent reserved matter. This would include an updated BNG calculation (balance sheet) and BNG Proposed Habitats Plan. This is required to co-ordinate the phased delivery of BNG in accordance with approved strategy at outline permission stage. Relevant planning conditions will be applied to secure this delivery.

Design and Landscape-led approach

- 8.2.24 BNG should be considered at the early stage of a project before the layout and design becomes too fixed. A design team approach should be undertaken with an appointed ecological consultant working closely with the urban designer, landscape architect and arboriculturist for the project to jointly consider which masterplan structure/layout delivers the optimal outcome for biodiversity net gain. A design and landscape-led approach and strategy should be informed by the following objectives:
- Creating a site wide connected and accessible multi-functional green space network that is connected to the strategic green infrastructure network
 - Creating an ecological network that seeks to retain and enhance existing wildlife corridors and link up fragmented habitats both outside and within the site boundary. This is to enhance connectivity, functionality and to strengthen wildlife corridors and use this as a component of the landscape structure for the new development
 - To ensure existing wildlife sites, priority habitats, hedgerows and trees are appropriately buffered to protect the health and function of the habitat
 - To design for sustainable urban drainage through the designing around natural drainage patterns and maximise opportunities for wetland and marginal/aquatic planting in attenuation areas and swales etc

- To design site boundaries, streets, spaces, block and plot boundaries and gardens to incorporate nature-rich habitat, including trees, hedgerow, grassland, scrub and wildflower areas.
- Utilise domestic scale features to support wildlife, such as bat and bird boxes/bricks and invertebrate boxes⁴²

Delivery

8.2.25 The choice of habitat type will be informed by landscape character, what is existing on the site and surroundings, soils drainage and aspect. Examples of the most common habitat types are:

- Trees/woodland
- Hedgerows
- Scrub
- Grassland
- Ponds

8.2.26 The consideration of recreational and visitor impact on habitat types proposed will be discussed as required in the consideration of the application of the Biodiversity Metric.

8.2.27 Where sufficient net gain cannot be delivered on site this will need to be evidenced through the illustration of design and layout options. Options for off-site provision are:

- (a) Off-site land in the control of the applicant provided it meets the requirements for off-site provision
- (b) Off-site land under the control of the local authority or a third party who in partnership with the Council agrees the land can be used for net gain provided it meets the requirement for off-site provision

Requirements for off-site provision

8.2.28 The land should preferably be located adjacent to the site (including within any blue line land). If this is not feasible, then the site should be located within a reasonable distance of the site. If this is not feasible, then the site should be within North Hertfordshire. The off-site provision site will need to be agreed with the LPA using the cascade approach above. The main priority for any off-site provision should be the conservation and enhancement of priority habitats and the Ecological Network as

⁴² The Biodiversity Metric is a habitat-based approach, using habitat as a proxy for biodiversity. Species-based features such as bird and bat boxes are not included within the metric, instead it focuses on the habitats such species need to forage and complete their life cycles. The provision of such species features within developments will still be encouraged

mapped by Hertfordshire County Council and the forthcoming Nature Recovery Network.

- 8.2.29 The land will be subject to a S106 agreement or similar unilateral undertaking to ensure delivery of the biodiversity management for a minimum period of 30 years. If required, the agreement will include a transfer of an agreed sum alongside a trigger point.

8.3 Therfield Heath SSSI Mitigation Strategy

- 8.3.1 Therfield Heath is a popular destination for recreational walkers at the west of Royston. This site is also a Site of Special Scientific Interest (SSSI) and is a significant archaeological site comprising prehistoric burial mounds, many of which are Scheduled Ancient Monuments. It is necessary to manage recreational disturbance to protect the notified features of the site, including through the collection of developer contributions.
- 8.3.2 The Council is working with Natural England and the heath's Conservators to develop a planning mitigation strategy to inform new developments within the SSSI's identified Zone of Influence (ZOI). Sites within the ZOI may be required to make appropriate contributions towards projects or approaches identified in the Strategy, or any other management strategy (or equivalent) produced for this area.
- 8.3.3 This approach may require schemes to make provision for and / or contributions towards:
- Enhanced open space provision within the development scheme;
 - Contributions towards provision or projects within the SSSI to be delivered in agreement with Natural England and / or the Conservators of Therfield Heath;
 - Alternate recreation provision or projects within Royston and the surrounding area that provide alternate open space, leisure routes and / or recreational opportunities.

8.4 Open Spaces

Current policy

- 8.4.1 The importance of good quality green space or 'green infrastructure' where we live has significantly increased over recent years, and this is reflected in the planning system. The climate crisis, biodiversity crisis and health crisis (including Covid-19) mean we all need multi-functional and good quality green space now more than ever to address the challenges of the physical and natural environment we live in.
- 8.4.2 Residents of new housing developments will generate additional needs and demands for open space, sport and recreation facilities. It is therefore important such facilities are sufficient, accessible, connected and enhance nature and biodiversity. Also critical to this is water management as well as climate mitigation and adaptation. There should also be activities for all to enjoy such as play, food production,

recreation and sport so as to encourage physical activity and support good health, social inclusion and well-being.

8.4.3 Policy Nex: New and Improved Open Space states that planning permission will be granted for development proposals that make provision for new and/or improved open space which,

- (a) Meets the needs arising from the development having regard to the Councils open space standards;
- (b) Contribute towards improving the provision, quality and accessibility of open space ; and
- (c) Incorporate any necessary open space buffer (s) for landscape, visual, ecological or air quality reasons

Any on-site provision must include a long-term maintenance and management plan and where required phasing plans to demonstrate delivery. Proposals for new open spaces which meet identified needs will be encouraged in suitable locations served by a choice of sustainable travel options. Financial contributions towards the provision of open space will be considered only where it can be demonstrated that the requirements of Policy NEX part (b) ii are met. Where a development is phased or a site is either divided into separate parts or otherwise regarded as part of a larger development, it will be considered as a whole for the purposes of open space provision.

8.4.4 In addition to Policy Nex above Policy SP9 Design & Sustainability requires Strategic Masterplans to create an accessible multi-functional green infrastructure network that provides:

- A key structuring and functional place-making feature supporting healthy lifestyles, sport, play and recreation linking into the wider green infrastructure network
- A high-quality integrated network to support ecological connectivity, biodiversity net gain, climate adaptation and mitigation linking into the wider Ecological Network.

Evidence Base

8.4.5 The NPPF advises that access to a network of high-quality open spaces and opportunities for sport and physical activity is important for health and well-being as well as wider benefits for nature and supporting measures to address climate change.

8.4.6 Planning policies should be based on robust and up-to-date assessments of the need for open space, sport and recreation facilities (including quantitative or qualitative deficits or surpluses) and opportunities for new provision. Information gained from the assessments should be used to determine what open space, sport

and recreational provision is needed, which plans should then seek to accommodate. The following documents should inform both on-site and any off-site green space provision.

- The Council's Open Space Assessment 2022⁴³ has updated the Open Space Review 2016. This audit has provided an updated mapping of open space typologies across the district and their accessibility and where deficiencies are located. The Open Space Assessment, which is mapped on the Council's GIS system, is accompanied by a series of Settlement Profiles which provide a more localised analysis of open space provision. The assessment and profiles will help to inform decision-making on open space provision on a site-by-site basis.
- The Council is updating its Playing Pitch Strategy and Action Plan 2018 which sets out playing pitch needs across the district and will be used to inform new playing pitch provision.
- There are a number of neighbourhood plans across the district that should be referred to for more detailed information on existing open space provision (quantitatively and qualitatively), local open space needs and where new or enhanced open space provision are required in policies and supporting evidence.
- The Council has publicised a number of green space action plans for key green spaces across the district. These set out a series of physical and management requirements to enhance the sustainability of each green space.

Open Space Standards

8.4.7 The Council is using the Fields in Trust Guidance for Outdoor Sport and Play Beyond the Six Acre Standard November 2020. This guidance sets national benchmark guidelines and guidance to ensure that the provision of open spaces is of a sufficient size to ensure its effective use and is located in an accessible location. The open spaces should be in close proximity to dwellings and be of a quality to maintain longevity to encourage its continued use.

8.4.8 These standards are shown below:

Open space standards for new development (hectares)

Type	Standard (per 1,000 people)	Walking guideline
Playing pitches	1.2	1,200 m
Other outdoor sports	0.4	1,200 m
Equipped / designated play	0.25	LAPs- 100m LEAPS- 400m NEAPS- 1000 m
MUGAs / skateboard etc	0.3	700m

⁴³ Pending publication, anticipated December 2022

Parks and Gardens	0.8	710m
Amenity Green Space	0.6	480m
Natural and semi-natural	1.8	720m
Allotments	0.3	800 m ⁴⁴

Requirements for equipped play

Open Space Typology	Minimum Size and Dimensions	Buffer Zones
LAP	0.01 ha 10x10 metres	5 metre separation distance between activity zone and nearest property containing a dwelling
LEAP	0.04 ha 20x20 metres	20 metre separation distance between activity zone and nearest property containing a dwelling
NEAP	0.1 ha 31.6 x 31.6 metres	30 metre separation distance between activity zone and nearest property containing a dwelling

8.4.16 The table below sets out the application of equipped play standards to the scale of development.

Scale of Development (dwellings)	Local Area of Play (LAP)	Local Equipped Area of Play (LEAPS)	Neighbourhood Equipped Area of Play (NEAP)	Multi-Use Games Area (MUGA)
5-10	√			
1-200	√	√		Contribution
201-500	√	√	Contribution	√
501+	√	√	√	√

8.4.17 Pre-application discussions are encouraged with the NHC Green Space Manager and planning officers to select what is appropriate for the site. The Council aim to provide larger play spaces where a LAP could be sensitively integrated into a LEAP (as play for toddlers can sometimes benefit from a buffer/separation area with play for older children). Stand-alone LAPS will in general only be considered on an exceptions basis where there is no appropriate accessible play provision.

⁴⁴ This is a locally derived walking guideline

- 8.4.18 Play areas should be designed using Play England's 10 principles for designing successful play space⁴⁵. Play areas should be located where there is sufficient natural surveillance from the street and neighbouring houses. Successful play spaces are located carefully to where children would play naturally and away from heavily trafficked roads, noise and pollution.
- 8.4.19 Children benefit from access to natural environments, features and natural play. In the right location grassy mounds, planting, logs, sand, trees, trunks and boulders can all help make a more attractive and playable setting for equipment where children can play in different ways and nature can also be supported. Play areas located in green space on natural through routes and by well used public footpaths work particularly well. Play can become part of the wider active landscape. Nature play can be introduced into new play spaces or incorporated into established ones. Maintenance and management plans will require a tailored approach, but costs can often be less than traditional play equipment.
- 8.4.20 In the calculation of playing pitch/outdoor sports Sport England's playing pitch calculator should be used to estimate demands that will be generated from the new development.⁴⁶ This should be used in conjunction with the Councils Playing Pitch Strategy and Action Plan 2018 (or as superseded as this is currently being updated) to identify where the demands should be met in the locality. Consultation with Sport England, Town and Parish Councils and the relevant National Governing Bodies will be required where appropriate⁴⁷.
- 8.4.21 All schemes should have regard to these standards as a guide when proposals are developed. The standards should not be treated as a cap for open space provision. We will encourage provision at above minimum standards wherever possible.
- 8.4.22 For the avoidance of doubt, open space must be useable and accessible to the public (in perpetuity). SLOAP (space left over after planning) should not be present in a well-designed scheme. Every space should have a clear design function. SLOAP such as roadside verges and small areas of incidental land will not count towards public open space. Structural and peripheral landscaping footpaths and cycleways also will not be included, unless they form an integral part to a large area of open space.
- 8.4.23 In relation to sustainable urban drainage these need to be designed according to the latest CIRIA guidance, where possible they should also be a usable and accessible feature of public open space fully integrated into the site layout and green space network with a well-designed interface with the surrounding space. To be considered as such they should bring amenity, landscaping and biodiversity benefits as well as the technical elements required. This would include a naturalistic and landscape-led approach with carefully planted edges with appropriate habitat, shallow gradients and

⁴⁵ Design for Play. A guide to creating successful play spaces Play England June 2008.

⁴⁶ As of May 2020 Sport England is currently limiting the use of their Playing Pitch Calculator on the Active Places Power website to local authorities and their consultants. Therefore, developers will need to contact the Councils planning team where required.

⁴⁷ Sports England is a non-statutory consultee on residential development of 300 dwellings or more

banks/beaches with perimeter pathways for any areas of permanent water. The area of SUDS to be counted as ‘recreational’ open space should be dry and usable for a significant majority of the time.

Qualitative provision of open space

8.4.24 Each application (using the relevant evidence base documents) will be considered on its individual merits taking account of the:

- Future demands for open space arising from the development
- Current quantity deficiencies in the area
- The quality of existing open spaces in the area
- Accessibility (distance) to existing open space provision

8.4.25 The table below provides definitions of the open space types.

Open Space Type	Description
Parks and Gardens	Managed and accessible, high public value opportunities for informal recreation and community events (should be designed around community hubs where co-location of facilities is encouraged in accordance with Sport England’s Active Design Guidance). Include Country Parks, urban parks, local recreation grounds, formal gardens and local/neighbourhood pocket parks
Natural and Semi-Natural Green Space	Sites that provide wildlife conservation, biodiversity and a natural capital function (e.g. water management, soil quality, carbon sequestration). This type of greenspace includes local nature reserves, local wildlife sites, woodland, grassland, scrubland, wetlands etc. It also includes agricultural land or grazing land where there are public rights of way.
Amenity Greenspace	Informal recreational ‘doorstep’ spaces located close to people’s homes providing a landscape and visual amenity role and supporting social interaction.

Allotments	Land where vegetables and fruit can be cultivated.
Equipped Play	<p>LAP</p> <ul style="list-style-type: none"> • Small area close to home • Primarily for under-6s • Manufactured or natural play features • Positioned by a pedestrian route that is well used • Well-drained, reasonably flat site surface with grass or a hard surface • Recommended minimum activity zone: 100 sq/m • Buffer zone of 5m minimum depth separates activity zone and nearest dwelling • May have a 600mm guard rail to indicate the perimeter • Requires a sign indicating the area is for children's play and dogs are not welcome <p>LEAP</p> <ul style="list-style-type: none"> • For children who are beginning to go out and play independently • Within five minutes' walking time • Positioned by pedestrian route that is well used • Well-drained, reasonably flat site surfaced with grass or a hard surface, along with appropriate surfacing for play equipment or structures • Recommended minimum activity zone is 400 sq m • Play equipment is an integral part of the LEAP • Buffer zone of 20m minimum separates activity zone and habitable room facade of nearest dwelling • Stimulating, challenging play experience with provision for a minimum number of six play experiences is recommended • Adequate space for active play • Boundaries should be recognisable by landscaping, • Seating and litter bins provided • Requires a sign indicating the area is for children's play and dogs are not welcome

	<p>NEAP</p> <ul style="list-style-type: none"> • Mainly for older children but with play opportunities for younger children too • Within 15 minutes' walk from home • Positioned by a pedestrian route that is well used • Well-drained, reasonably flat site surfaced with grass or a hard surface, along with appropriate surfacing for play equipment or structures • Recommended minimum activity zone is 1000 sq m, comprising an area for play equipment and a hard-surfaced area of at least 465 sq m • Buffer zone of 30m minimum depth separates activity zone and the boundary of the nearest property • Stimulating, challenging play experience with provision for a minimum number of nine play experiences is recommended • Adequate space for active play • Boundaries should be recognisable by landscaping • Seating and litter bins provided • Requires a sign indicating the area is for children's play and dogs are not welcome
MUGA	<p>Minimum activity zone of 1000 sq m comprising structures and hard surfaced court for sports (court minimum dimensions 40x20 metres) with 30 m separation zone between the activity zone and the boundary of the nearest property containing a dwelling.</p>
Outdoor Sports	<p>Natural or artificial playing pitches including for football, rugby, cricket, hockey, tennis, bowling and athletics tracks and other outdoor sport activities.</p>

8.4.26 The Council will encourage new housing developments to follow the 10 principles below aimed at achieving well-designed green space.

- 1) The retention and enhancement of existing green infrastructure (natural features) through the site
- 2) The provision of sufficient landscape, visual, noise, air quality and ecological buffers
- 3) A connected (edge to edge) seamless and accessible network of open spaces linked with pathways and routes within the site and to the surrounding area (including direct utility routes to key destinations and recreational routes to the wider green infrastructure network)
- 4) Centrally located, overlooked and enclosed open spaces and where appropriate on larger sites co-located with other uses such as schools and shops to encourage active design and social interaction
- 5) Create attractive and well landscaped gateway and ‘focal point’ open spaces to support legibility, wayfinding and social interaction
- 6) Create a habitat and ecological network/spaces that allow people to interact with nature every day and habitats and species to flourish with generous tree planting⁴⁸ and hedgerows to provide multiple-functional benefits including cooling and shading, noise and visual buffers, perimeter boundary treatments and wildlife benefits
- 7) Use green corridors with footways and cycleways through the site to support active travel, include these as linear parks on larger scale sites
- 8) Sustainable urban drainage should be fully integrated into the site masterplan/layout and open space network and use above ground features to mimic natural drainage patterns, manage flood risk and maintain the natural water cycle, improve water quality and include measure to enhance habitat creation through aquatic and marginal planting.
- 9) Provide outdoor sports provision and MUGAs in co-ordinated and strategic locations to ensure access to sport and recreation
- 10) On larger sites plan and design for dog-walking and running routes of 2.7 km with the site and/or with links to surrounding public rights of way and the means to support physical activity and social interaction

8.4.27 For sites that require a Strategic Masterplan a Green Infrastructure Framework Plan will be required. This should clearly colour code the open space types that the application seeks to deliver in accordance with Fields in Trust standards as well as

⁴⁸ The Trees and Design Action Group (TDAG) publication *Tree Selection for Green Infrastructure: A Guide for Specifiers* 2018 provides guidance on selecting appropriate species for a range of planning scenarios based on comprehensive research

areas for sustainable urban drainage to inform the LPA of the proposed green space provision and design intent. The proposed site area (in hectares) should be provided for each open space and clearly referenced to the plan. Plans and supporting commentary should identify the character and function of new open spaces through specific names rather than a generic POS reference.

Financial contributions in lieu towards off-site provision of open space types

- 8.4.28 Where the Council considers it appropriate a financial contribution to be paid in lieu of on-site provision, towards new or enhanced provision off site within the vicinity of the development will be considered where the need arises directly from the development. Such financial contributions in lieu may be considered where the full amount of required open space cannot be realistically delivered on-site (e.g. the site is too small to provide a space of a functional size or improvements to a site in the local vicinity could adequately meet the open space needs generated by the development).
- 8.4.29 This decision-making will be informed by the relevant evidence base e.g. the Council's Open Space Assessment 2022, Green Space Action Plans, relevant Neighbourhood Plans and the Council's Playing Pitch Strategy and Action Plan 2018, or any subsequent equivalent documents. This will be considered on a case by case basis by North Hertfordshire Council's Greenspace and Planning teams, in consultation with relevant organisations such as Sport England, Town and Parish councils and National Governing Bodies as appropriate.

Maintenance and management of green space

- 8.4.30 The North Hertfordshire Council Green Space Management Strategy 2022-2027 sets out all sections of the community should have access to green space and experience its multiple benefits. Green space should be freely accessible to all the public and not be reserved for the private use of residents.
- 8.4.31 The council will consider the adoption and management of new strategic green space in the following circumstances:
- It is located within the four main towns of Baldock, Letchworth, Hitchin and Royston (and Great Ashby) and complements existing service maintenance operations.
 - The green space is meeting a current deficiency and new provision would meet the needs of existing and new residents.
 - The green space is meeting a strategic gap in the green space network and improving the quantity, quality and connectivity of the district's green space network.
 - Where longer term revenue streams such as council tax can be effectively recycled back into the locality as part of place investment.

- Where other corporate objectives can be met such as climate change, biodiversity and health and wellbeing.

8.4.32 For smaller green spaces and new green space in other settlements, other options should be considered and agreed on a site-by-site basis, such as parish councils and private management companies.

8.4.33 Allotments are often managed by Town or Parish Councils (or Allotment Associations), and it is recommended that they are consulted before submitting a planning application to discuss provision, local demands and design preferences (i.e. full or half plots).

8.4.34 Should new provision be adopted by North Hertfordshire Council or by a Town or Parish Council then a commuted management sum would be payable for a period of not less than 20 years with the contributions being given to the relevant body.

8.4.35 Please refer to Appendix B for current maintenance contract prices relating to open space. The Council will consider other management approaches such as private management companies. Such arrangements would require open space management in perpetuity.

8.5 Flood risk and management

8.5.1 Policy SP11 Natural resources and sustainability expects that development is directed at areas of lowest risk of flooding and that Sustainable Drainage Systems (SuDS) and other appropriate measures are in place. Applicants are required to work with the Lead Local Flood Authority (Hertfordshire County Council), the Environment Agency and Internal Drainage Boards at the earliest opportunity.

8.5.2 It is expected that any necessary flood mitigation measures are to be provided by the developer through on or off-site provisions to make the proposed development acceptable and this will be secured by planning conditions and/or legal agreement.

Where SuDS are required, on-going management and maintenance arrangements will need to be demonstrated.

8.6 Waterways

8.6.1 Policy NE9 Water quality and environment requires river restoration and resilience improvements where proposals are situated close to a river or considered to affect nearby watercourses. In some instances, contributions will be required towards these measures. These may also form part of a programme to deliver biodiversity net gain associated with new development.

8.6.2 In particular, there are a number of rare chalk streams in Hertfordshire. There are only around 200 such streams in the world of which 85% are found in the UK. The Environment Agency has been working with water companies and key partners to improve and restore chalk streams in the area. Contributions may be sought towards appropriate projects.

8.6.3 Developments may also need to incorporate improvements in the efficiency of water use, surface drainage systems and pollution prevention measures and such measures will be secured via planning conditions or legal agreement.

8.6.4 Applicants should work with the Council, the Internal Drainage Board and the Environment Agency where proposals affect water resources.

8.7 Other forms of Green Infrastructure

8.7.1 The subsections above refer to various forms of green infrastructure. However, these are not exhaustive. The provision of open space (in the context of Section 8.4), for example, relates to more formal, and mainly publicly accessible, opportunities within settlements or proposed developments.

8.7.2 The definition of Green Infrastructure is much broader than this. It includes green spaces outside of settlement boundaries such as areas of woodland, other key habitats or species-rich areas. These may or may not be publicly accessible. It also encompasses access links such as the rights of way network, long-distance paths and cycle routes and the broader setting of all of these assets in the landscape.

8.7.3 The Council may seek contributions towards projects identified in strategies and guidance. Where it is reasonable to do so, in this or any equivalent successor document.

8.8 Water supply and waste-water infrastructure

8.8.1 Local Plan Policy SP11 Natural resources and sustainability requires that the water environment is protected, enhanced and managed. The Water Cycle Studies for both the Rye Meads catchment area and Royston identify technical solutions that will be secured via planning conditions and/or legal agreement.

8.8.2 The Environment Agency's Catchment Data Explorer should be used to identify contributions that may be required by development proposals towards improvements to water resources.

8.8.3 Residential schemes are required by Policy D1 Sustainable design to meet or exceed the optional water efficiency standards. This will be secured by planning conditions and/or legal agreement.

8.8.4 Mechanisms for delivering any necessary new or improved water and/ or wastewater infrastructure, including foul water treatment and drainage disposal, may be required via planning conditions and/or legal agreement in accordance with Local Plan Policy NE10 Water Conservation and wastewater infrastructure.

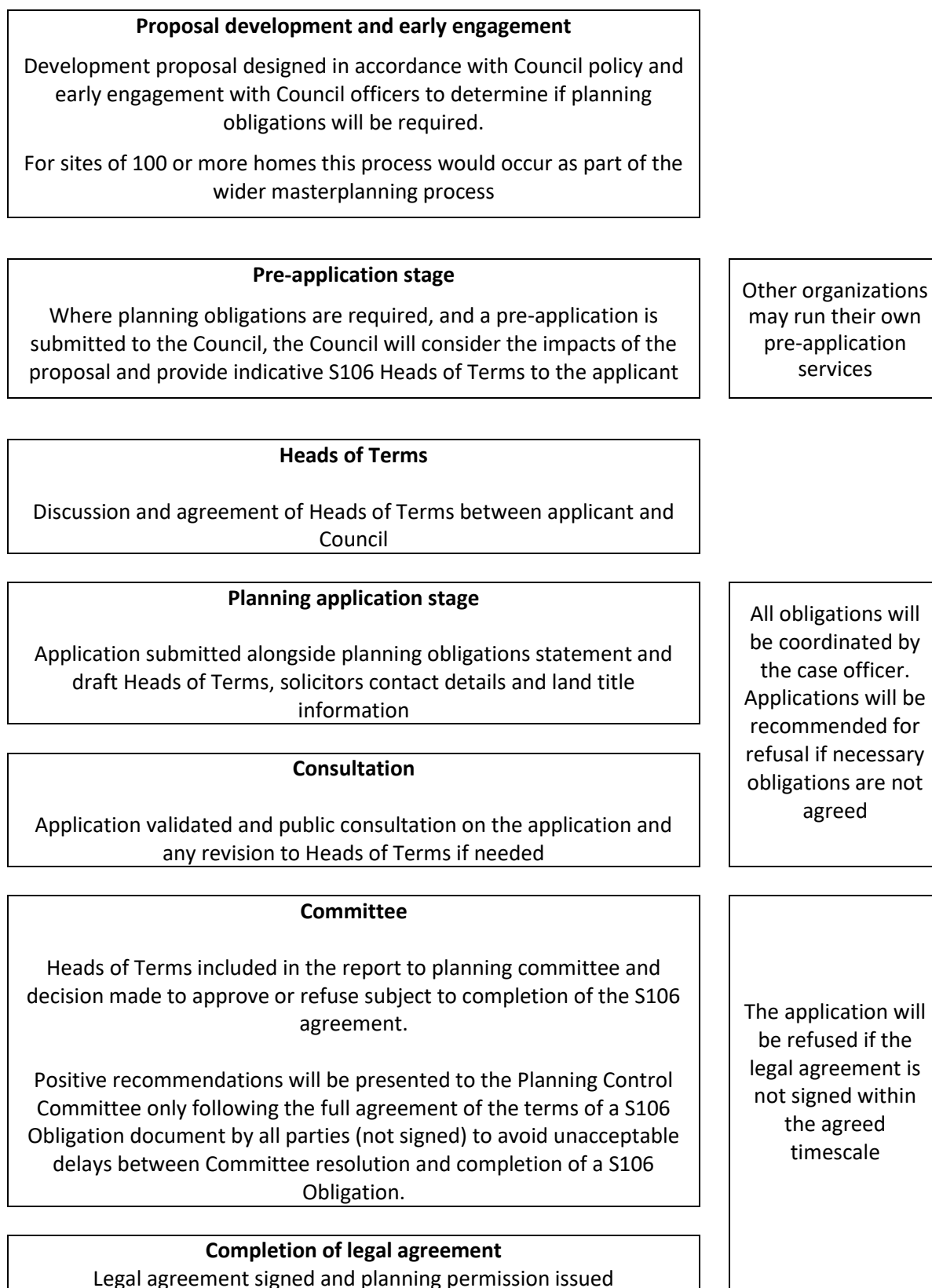
8.9 Development on contaminated land

- 8.9.1 The Council will support proposals that involve the remediation of contaminated land in line with Local Plan Policy SP11 Natural resources and sustainability.
- 8.9.2 Where a contaminated land study/contaminated land risk assessment identifies required remediation works in accordance with Local Plan Policy NE11 Contaminated land, these will be secured through planning conditions and/or legal agreement. Remediation works may include measures to safely manage land contamination before, during and after development.

8.10 Climate change and renewable and decentralised energy

- 8.10.1 Local Plan policy SP11 Natural resources and sustainability supports proposals for low carbon energy and Policy D1 Sustainable design requires development proposals to reduce energy consumption and future proof for changes in technology and lifestyle. In securing such measures relating to design (including materials used) and the use of technology, the Council will use planning conditions and/or legal agreements.
- 8.10.2 Policy NE12 Renewable and low carbon energy development refers to renewable and low carbon energy development comprising wind, wave, tidal, hydro or solar power and biomass fuels. On larger schemes, there may be opportunities for decentralised energy. In line with the National Planning Policy Framework, any impacts of this type of development should be addressed. This may include the use of planning conditions and/or legal agreement to secure any mitigation measures.
- 8.10.3 The Hertfordshire Renewable and Low Carbon Energy Technical Study (or an updated study if superseded during the lifetime of this document) should be used when considering energy opportunity areas in the District.

Appendix A: S106 process flow-chart



Appendix B: Maintenance Contract Prices for Open Space (February 2022)

Feature	Unit	Annual Cost £
Existing Woodland	1 HA	18,914.65
New Woodland	1 HA	23,757.29
Existing Hedgerow	1 Linear metre	2,682.14
New Hedgerow (Natural)	1 Linear metre	9,147.14
New Hedgerow (Formal)	1 Linear metre	11,204.97
New Hedgerow (Prestigious)	1 Linear metre	13,235.05
Newly Planted Formal Tree (E.g. Avenues, roadside and specimen etc)	1 Tree	12,472.80
Newly Planted Informal Tree (E.g. within a park)	1 Tree	14,979.50
Existing Mature Tree	1 Tree	150
LAPS (Equipped)	Activity zone and buffer	788.53
LAPS (Not Equipped)	Activity zone and buffer	788.53
LEAPS (6 pieces of equipment)	Activity zone and buffer	788.53
NEAPS (8-10 pieces of equipment)	Activity zone and buffer	788.53
Pavilion *	1 m ²	*
Football Pitch (grass) *	Including buffer	10,876.90
Amenity Grassland (parks & greens spaces)	1 m ²	0.00
Fine Turf *	1 m ²	0.00
Conservation	1 m ²	0.00
Ornamental Shrub Borders (Including herbaceous and Rose borders)	1 m ²	0.00
Seasonal Bedding *	1 m ²	0.00
Open Space Hard surfaces (Footpaths that are not adopted by the County Council)*	1 linear metre	0.00
Litter Bin*	1	34.40
Dog Bin*	1	128.52

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**Strategic Environmental Assessment
Screening Determination Statement
for
North Hertfordshire District Council
Developer Contributions
Supplementary Planning Document**

1. Introduction

- 1.1 This report sets out a Screening Determination for the North Hertfordshire District Council Developer Contributions Supplementary Planning Document (hereafter Developer Contributions SPD), and has been prepared by North Hertfordshire District Council. The purpose of the screening is to assess if the Developer Contributions SPD will require a Strategic Environmental Assessment (SEA). More detail is given in the following sections on SEA (section 2), Supplementary Planning Documents (section 3) and the Developer Contributions SPD specifically (section 4).
- 1.2 The assessment of the Developer Contributions SPD and the Determination is included in sections 5, 6 and 7.

2. Strategic Environmental Assessment Context

- 2.1. European Union Directive 2001/42/EC requires SEA to be undertaken for certain types of plans or programmes that could have significant environmental effects. The Directive has been transposed into law for England and Wales in the Environmental Assessment of Plans and Programmes Regulations 2004 (the Regulations). The purpose of Strategic Environmental Assessment is to promote sustainable development through assessing the extent to which the plan will help to achieve relevant environmental, economic and social objectives.
- 2.2. Under Regulation 9 of the Regulations, the responsible body (local parish or town council or neighbourhood forum) is required to determine whether a plan or programme is likely to have significant environmental effects, and therefore whether SEA is required. This process is called screening. It is undertaken using a specified set of criteria (set out in Schedule 1 of the Regulations). The Regulations require that the results of this process are set out in a Screening Determination (this document), which must be publicly available.
- 2.3. Before the responsible body makes a formal determination, there is a requirement to consult three statutory consultation bodies designated in the Regulations (Historic England, the Environment Agency & Natural England) on whether an environmental assessment is required. This consultation will take place alongside consultation on the draft SPD.

3. Supplementary Planning Documents and Strategic Environmental Assessment

- 3.1. Planning Practice Guidance states that:
 - 3.1.1. Supplementary planning documents do not require a sustainability appraisal but may in exceptional circumstances require a strategic environmental assessment if they are likely to have significant environmental effects that

have not already have been assessed during the preparation of the Local Plan.

3.1.2. A strategic environmental assessment is unlikely to be required where a supplementary planning document deals only with a small area at a local level (see regulation 5(6) of the Environmental Assessment of Plans and Programmes Regulations 2004), unless it is considered that there are likely to be significant environmental effects.

3.1.3. Before deciding whether significant environment effects are likely, the local planning authority should take into account the criteria specified in schedule 1 to the Environmental Assessment of Plans and Programmes Regulations 2004 and consult the consultation bodies¹.

3.2. This Screening Determination has taken account of this Guidance in reaching its conclusions.

4. Developer Contributions SPD

4.1. Developer contributions can be used to make a development acceptable but should only be used where unacceptable impacts cannot be dealt with by planning conditions. Legal tests must be applied to any planning obligations sought, and this is outlined in Community Infrastructure Levy Regulations 2010 (as amended) and in paragraph 57 of the NPPF. Any contributions must be:

- a) necessary to make the development acceptable in planning terms;
- b) directly related to the development; and
- c) fairly and reasonably related in scale and kind to the development.

4.2. The National Planning Policy Framework (NPPF)² defines Supplementary Planning Documents (SPDs) as documents which add further detail to the policies in the development plan. SPDs are capable of being a material consideration in planning decisions but are not part of the statutory Development Plan.

4.3. SPDs do not have the same status as the policies within the Development Plan (in North Hertfordshire's case, the Local Plan) and are not subject to an independent Examination. However, SPDs must undergo public consultation and are considered as material considerations when determining planning applications.

4.4. A review of the Council's current planning guidance was undertaken in 2017 following submission of the proposed new Local Plan for examination. This identified that the Council's Planning Obligations Supplementary Planning Document (SPD) dating from 2006 should be prioritised for updating. This review of current Council planning guidance, and the identification of documents to be produced in the future, was considered and approved by Cabinet on 25th July 2017.

¹ Planning Practice Guidance: Strategic Environmental Assessment and Sustainability Appraisal, Paragraph: 008 Reference ID: 11-008-20140306, <https://www.gov.uk/guidance/strategic-environmental-assessment-and-sustainability-appraisal>

² Annex 2: Glossary

- 4.5. A Draft Developer Contributions SPD was subsequently produced and consulted upon between February and March 2020.³ In July 2020, Cabinet resolved to adopt the Developer Contributions SPD subject to the adoption of the new Local Plan within 12 months of the Cabinet meeting. Further to this, in the interim it was agreed that the document would be published and used as a material consideration when considering planning applications.
- 4.6. In March 2021, a Cabinet decision was made to not pursue a Community Infrastructure Levy at this time, and also to commence work on a revised and updated suite of Supplementary Planning Documents (although the latter had no bearing on the Developer Contributions SPD).
- 4.7. Delays in the Local Plan Examination precipitated a need to obtain Cabinet approval in July 2021 to continue to use the draft SPD as a material consideration in decision making, and to review the SPD to determine whether any further work was needed prior to adoption and any associated Cabinet decision. It was additionally decided at the same Cabinet meeting to use the Fields in Trust standards for open space provision in new development.
- 4.8. It is proposed that this latest version of the SPD will be consulted upon starting in October 2022 to enable adoption at the same time as, or shortly after, any future decision to adopt the Council's emerging Local Plan.

5. Screening Assessment

- 5.1. As noted above, the Regulations specify a set of criteria which must be used to assess whether any plan covered by the Regulation is likely to have a significant environmental effect and therefore require a SEA. The table below considers each of these criteria in turn.

Table 1: Assessment of likelihood of significant effects on the environment

Criteria for determining the likely significance of effects	Likely to have significant effects?	Justification for assessment
1 (a) the degree to which the plan or programme sets a framework for projects and other activities, either with regard to the location, nature, size and operating conditions or by allocating	No	The SPD provides greater detail on the policy and principles established in the emerging North Hertfordshire Local Plan. The emerging Plan has been subject to a comprehensive Sustainability Appraisal (SA) incorporating Strategic Environmental Assessment (SEA). The purpose of the

³ Cabinet decision 28 January 2020, <https://democracy.north-herts.gov.uk/documents/s9737/Draft%20Developer%20Contributions%20SPD.pdf>

resources		SPD is to provide guidance on the effective and constant implementation of the relevant infrastructure requirements and developer contributions policies (principally Policy SP7 which has been subject to SA / SEA through the process above).
1 (b) the degree to which the plan or programme influences other plans or programmes including those in a hierarchy.	No	The SPD is intended to supplement Local Plan policies and sits below the Local Plan in terms of the planning hierarchy. The SPD must be in general conformity with the strategic policies of the Local Plan.
1 (c) the relevance of the plan or programme for the integration of environmental considerations in particular with a view to promoting sustainable development	No	The SPD is highly relevant in terms of promoting sustainable development as it seeks to ensure the effective and consistent implementation of developer contributions policy. The aim of this policy is to ensure that development proposals make provision for infrastructure that is necessary in order to accommodate the additional demands resulting from the development.
1(d) environmental problems relevant to the plan	No	There are no environmental problems relevant to the SPD. The policies within the North Hertfordshire Local Plan that the SPD supplement are not expected to have any significant effects on the environment.
1 (e) the relevance of the plan or programme for the implementation of community legislation on the environment (e.g. plans and programmes linked to waste management or water protection)	No	The SPD is not relevant to the implementation of EC legislation such as waste management or water protection.
2 (a) the probability, duration, frequency and reversibility of the effects	No	The anticipated effects on the sustainability of North Hertfordshire are expected to be positive by providing guidance to support policies designed

		<p>to create new development supported by the necessary infrastructure.</p> <p>The SPD will require contributions towards any mitigation measures for any development that requires environmental enhancement.</p> <p>The duration of the effects is difficult to define; the effects will be linked to a planning permission which is (usually) permanent unless superseded by a subsequent permission on the same site.</p>
2 (b) the cumulative nature of the effects	No	The Local Plan SA/SEA expects overall positive benefits to arise from the specific policies related to infrastructure provision that the SPD relates to.
2 (c) the trans-boundary nature of the effects	No	Planning obligations/developer contributions will be local to North Hertfordshire district and only indirect effects are expected cross-boundary, for example, where the obligation secures a contribution towards infrastructure in an adjoining authority.
2 (d) the risks to human health or the environment (e.g. due to accidents)	No	No significant effects have been identified.
2 (e) the magnitude and spatial extent of the effects (geographical area and size of the population likely to be affected)	No	The SPD will be applied to all relevant planning applications in the district, although the effects of the SPD will be more likely felt at a more local scale (i.e. site or neighbourhood).
<p>2 (f) the value and vulnerability of the area likely to be affected due to:</p> <p>(i) special natural characteristics or cultural heritage</p> <p>(ii) exceeded environmental quality standards</p> <p>(iii) intensive land-use</p>	No	The SPD is not be able to set policy related to specific land uses. They will only affect the way in which infrastructure is funded or provided.
2 (g) the effects on areas or landscapes which have a recognised national, community or international	No	None identified. Any applications for development will be required to satisfy the relevant policies for protection of the character of the area before

protection status		permission is granted.
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6. Consultation Responses

- 6.1. This screening determination has been produced alongside the consultation on the draft Developer Contributions Supplementary Planning Document. The Council will consult the three statutory consultation bodies designated in the Regulations (English Heritage, the Environment Agency & Natural England) on whether an environmental assessment is required. An updated version of this statement will be produced prior to any future adoption of the SPD. This will report any responses received from the three statutory consultees.

7. Screening Determination

- 7.1. In summary, it is concluded that at this time the Developer Contributions SPD is not likely to have significant environmental effects and therefore a SEA is not required. The principal reasons for this conclusion are that:

- The development plan policies supplemented by this SPD have themselves been subjected to SA and SEA. The SA conclusion on Policy SP7 states that the policy is critical in ensuring that the Plan delivers against a significant number of the sub-objectives in the sustainability appraisal framework, not only through ensuring the delivery of needed infrastructure but also through making provision for the mitigation of the adverse impacts of new development. The appraisal of proposed main modifications to the emerging Local Plan did not indicate any change to this.
- The SPD is only entitled to provide guidance to existing policies, it is not expected that they would alter the conclusions reached in the Local Plan SA/SEA. The SPD cannot set new policy. It has been prepared to build upon the Local Plan policies and provide guidance to applicants regarding infrastructure provision (in accordance with the NPPF).

- 7.2. On the basis of the above, and considering the SE/SEA undertaken at a higher level through the preparation of the Local Plan, and the effects expected, North Hertfordshire District Council concludes that the Developer Contributions Supplementary Planning Document does not require a full SEA to be undertaken.

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CABINET
13 September 2022

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: PROPOSED NEW CONSERVATION AREA FOR CHESFIELD PARK

REPORT OF: *SERVICE DIRECTOR - REGULATORY*

EXECUTIVE MEMBER: *EXECUTIVE MEMBER FOR PLANNING AND TRANSPORT*

COUNCIL PRIORITY: RESPOND TO CHALLENGES TO THE ENVIRONMENT

1. EXECUTIVE SUMMARY

- 1.1 To consider a proposed new conservation area around Chesfield Park and a draft Conservation Area Appraisal and Management Plan (CAAMP) for public consultation.

2. RECOMMENDATIONS

- 2.1. That the draft CAAMP for the proposed conservation area around Chesfield Park is noted.
- 2.2. That approval is given for public consultation to take place on the draft proposal to designate a conservation area and the draft Conservation Area Appraisal and Management Plan around Chesfield Park.

3. REASONS FOR RECOMMENDATIONS

- 3.1. To ensure that the conservation areas and historic assets within North Hertfordshire are appropriately assessed and designated to inform decision making for planning applications and in the preparation of local and neighbourhood plans.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. The Council could refrain from undertaking any further work on conservation areas or local assets, but this would not reflect national policy or legislation which requires local authorities to review and monitor conservation areas from time to time and conserve local and designated assets.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1. Executive Members and Deputies have been briefed on the relevant matters in this report.
- 5.2. This report seeks approval to consult with stakeholders and the local community before a decision is made to designate a new conservation area around Chesfield Park.

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. Conservation areas are designated by the Council in its role as local planning authority. They exist to manage and protect the special architectural and historic interest of a place. Local planning authorities have a duty to review past designations from time to time to determine if any further parts of the area should be included within conservation areas or no longer merit that designation.
- 7.2 The emerging Local Plan Policy SP13: Historic Environment, states that the Council will pursue a positive strategy for the conservation and enjoyment of the historic environment through periodic reviews of Conservation Areas and publication of detailed guidance. In paragraph 4.160 of the supporting text of that Policy it states that: *“Over the lifetime of this Plan, we will carry out a programme of work relating to our Conservation Areas with priority for locations with potential development pressures and where there have been significant changes since the designation was first made. The reviews will include the production of character statements and will provide opportunities to consider amending boundaries”*.
- 7.3 In a [report](#) to Cabinet in January 2021, it was reported that a Heritage Assessment had been prepared in association with the strategic housing allocation of North Stevenage, NS1 and that one of the recommendations was that:
“North Hertfordshire District Council should consider designating a conservation area based upon Chesfield Park and Chesfield Church to adjoin the St Nicholas/Rectory Lane Conservation Area in Stevenage and preserve the significance of Chesfield Park.”

8. RELEVANT CONSIDERATIONS

- 8.1. Consultants (Place Services) were appointed in July 2021 to undertake the preliminary work to establish whether the Chesfield area is of sufficient special or historic interest to designate as a conservation area. The work concluded that the Chesfield area is of sufficient interest to progress the designation of a conservation area.
- 8.2. A draft Conservation Area Appraisal and Management Plan (CAAMP) has been prepared for the proposed new conservation area and is attached as Appendix A. The CAAMP provides an overview of the proposed Chesfield Conservation Area, outlining its suitability for designation, the proposed boundary and a description of its special interest.
- 8.3. The proposed Chesfield Conservation Area comprises the landscaped country park of Chesfield including the central house and garden (Chesfield Park), and a farmstead complex, including the former manor house, and ruined church to the north (Chesfield Manor). The proposed Conservation Area is bounded on each side by substantial treelines, with the exception of the south-eastern edge where there are arable fields.

- 8.4. Historic England recommend that local communities are engaged and consulted when carrying out conservation area appraisals, as the perspective of people living and working in the area will add depth to the appraisal and generate support and understanding for future plans.
- 8.5. It is proposed that public consultation on the draft CAAMP take place in October and November 2022. The draft CAAMP and the proposed conservation area boundary will be made available on the Council's website and a drop-in session will be arranged locally where the consultants will be available to explain the draft proposals. The Council will work with the local Parish Councils to promote the consultation period.
- 8.6. The outcome of public consultation will be reported to Cabinet and may subsequently lead to the designation of a new conservation area.

9. LEGAL IMPLICATIONS

- 9.1. Under the Terms of Reference for Cabinet, the Constitution states that it may exercise the Council's functions as Local Planning Authority and receive reports on strategic planning matters, (except to the extent that those functions are by law the responsibility of the Council or delegated to the Service Director: Regulatory).
- 9.2. Section 69 of Planning (Listed Buildings and Conservation Areas) Act 1990 requires local planning authorities to designate areas which they consider possess architectural or historic interest worthy of preservation or enhancement as Conservation Areas. As part of this, section 71 of the Act requires the local planning authority to formulate and publish proposals for the preservation and enhancement of these areas, such as in the form of an appraisal document. It is also the Local Authority's duty to ensure that special attention is paid to the desirability of preserving or enhancing the conservation when making planning decisions, as per section 72 of the Act.

10. FINANCIAL IMPLICATIONS

- 10.1. The costs for the conservation area work are being met from the planning fees reserve. £120k had originally been earmarked for conservation work over an anticipated three years, and there is approximately £100k left, as £20k was spent in 2021/22.
- 10.2. There are no specific revenue implications arising from this report.

11. RISK IMPLICATIONS

- 11.1. Sustainable Development of the District is identified as a Corporate Risk. The preparation of a draft CAAMP for the designation of a new conservation area will assist in promoting sustainable development in the future.

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. Section 8.5 refers to the key engagement of the community in developing CAAMPs. This engagement should advance equality of opportunity/foster good relations in consultation with all demographics within the area (including those who exhibit protected characteristics).

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. The designation of a new conservation area and the preparation of a CAAMP for the proposed new conservation area will assist in the management of the historic environment.

15. HUMAN RESOURCE IMPLICATIONS

- 15.1. There are no new human resource implications arising from the contents of this report. The public consultation process will be undertaken by the consultants.

16. APPENDICES

- 16.1 Appendix A – Proposed Chesfield Conservation Area - CAAMP

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18. BACKGROUND PAPERS

18.1 [Cabinet report : Conservation Area Summary Report and Next Steps, 26 January 2021, Agenda Item 10](#)

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Proposed Chesfield Conservation Area

Character Appraisal and Management Plan

Client:
North Herts Council

Date:
August 2022

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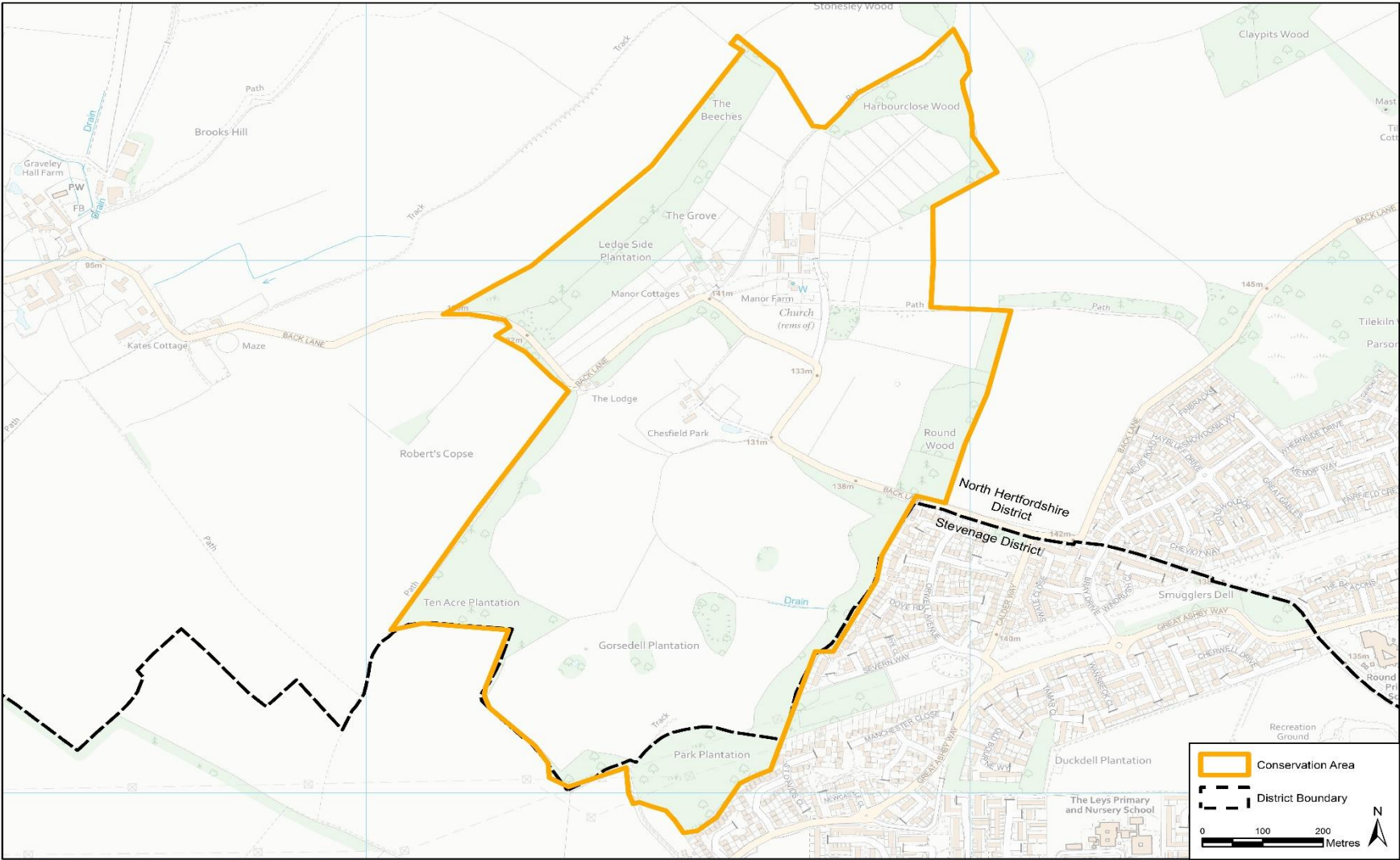


Figure 1: Location Plan showing proposed Chesfield Conservation Area boundary and district boundary

1. Introduction

1.1. Summary

This Conservation Area Appraisal and Management Plan provides an overview of the proposed Chesfield Conservation Area, outlining its suitability for designation, proposed boundary, and description of its special interest. The appraisal will also consider buildings, landscapes, and features which contribute to the proposed Conservation Area's character and appearance.

Conservation Area designation provides broader protection than the listing of individual buildings as it recognises all features within the area which form part of its character and appearance and ensures that planning decisions take the enhancement and preservation of the area into consideration.

The proposed Chesfield Conservation Area comprises the landscaped country park of Chesfield including the central house and garden (Chesfield Park), and a farmstead complex, including the former manor house, and ruined church to the north (Chesfield Manor). The proposed Conservation Area is bounded on each side by substantial treelines and, with the exception of its south-eastern edge, arable fields (Figure 1).

The significance of the proposed Chesfield Conservation Area chiefly derives from its rural character, the historic interest of the former manorial site and church and the unaltered, historic landscaped country park.



Figure 2: The ruins of St. Etheldreda's Church

1.2. Purpose of Appraisal

This document is to be used as a baseline to inform future change, development, and design with regard to the sensitivities of the historic environment and its unique character.

The appraisal recognises designated and non-designated heritage assets within the area which contribute to its special interest, along with their setting. It will consider how different Character Areas within the proposed Chesfield Conservation Area came to be developed, their building styles, forms, materials, scale, density, roads, footpaths, alleys, streetscapes, open spaces, views, landscape, landmarks, and topography. These qualities will be used to assess the key characteristics of each area, highlighting potential impact future developments may have upon the significance of heritage assets and the character of Chesfield. This assessment is based on information derived from documentary research and analysis of the proposed conservation area.

This appraisal will enhance understanding of the proposed Chesfield Conservation Area and its development, informing future design. Applications that demonstrate an understanding of the character of a Conservation Area are more likely to produce appropriate design and positive outcomes for agents and their clients.

It is expected that applications for planning permission will also consult and follow the best practice guidance outlined in the bibliography.

1.3. Frequently Asked Questions

A selection of frequently asked questions is outlined below. If you require further advice, please contact North Herts Council's planning department.

What is a conservation area?

Conservation areas are designated by the Local Planning Authority as areas of special architectural and historic interest. There are many different types of conservation area, which vary in size and character, and range from historic town centres to country houses set in historic parks. Conservation area designation introduces additional planning controls and considerations, which exist to protect an area's special character and appearance and the features that make it unique and distinctive. Although designation introduces controls over the way that owners can develop their properties, it is generally considered that these controls are beneficial as they sustain and/or enhance the value of properties within conservation areas.

The National Planning Policy Framework regards conservations areas as 'designated heritage assets'.

The 1990 Planning (Listed Buildings and Conservation Areas) Act specifies the general duty of Local Authorities, in the exercise of planning functions (Section 72). The 1990 Act states that special attention shall be paid to the desirability of preserving or enhancing the character or appearance of a conservation area.

How are conservation areas designated and managed?

The designation process includes detailed analysis of the proposed conservation area and adoption by the local planning authority. A review process should be periodically undertaken, and the Conservation Area assessed to safeguard that it retains special architectural or historic interest. Threats can be identified, and the boundary reviewed, to ensure it is still relevant and appropriate.

This Conservation Area is supported by an appraisal and management plan. The appraisal describes the importance of an area in terms of its character, architecture, history, development form and landscaping. The management plan, included within the appraisal, sets out various positive proposals to improve, enhance and protect the character and appearance of the Conservation Area.

How can I find out if I live in a conservation area?

Boundary maps of all conservation areas in the district can be found on North Herts Council's website. The council also has an online interactive map search function, which allows you to search for a specific property. Full details, including contact details for the local authority, can be accessed via the link below. (<https://www.north-herts.gov.uk/conservation-areas>)

What are the Council's duties regarding development in conservation areas?

The Local Authority must follow the guidance in the National Planning Policy Framework (NPPF) and the National Planning Practice Guidance (NPPG). These set out in clear terms how development proposals within Conservation Areas should be considered on the basis of whether they preserve and enhance the character and appearance of the area. Applications which fail to preserve or enhance the character of the Conservation Area are likely to be refused as a result. An authorities Local Plan also typically includes a specific policy on Conservation Areas.

Do I need permission to change a property in a conservation area?

Permitted development rights are not the same within a conservation area as they are elsewhere. This means things that normally would not require planning permission will require consent within a conservation area's boundary. For example, side extensions, two storey rear extensions, roof extensions and the cladding of buildings, which normally would class as permitted development, require planning permission if the building affected is in a conservation area.

North Herts Council's planning team can provide further information on whether alterations require planning permission. Full details of permitted development rights are set out in The Town and Country Planning (General Permitted Development) (England) (Amendment) (No. 3) Order 2020.

Further consideration may also need to be given to the setting of listed buildings, which many conservation areas are likely to contain.

What is a non-designated heritage asset?

All buildings, features and planned landscapes within a Conservation Area make a contribution to its significance. These can be measured on a sliding scale of positive, to neutral, to negative contributors.

Heritage assets are defined in the NPPF as '*A building, monument, site, place, area or landscape identified as having a degree of significance meriting consideration in planning decisions, because of its heritage interest.*'

Not all heritage assets are designated. Although a building may not be included on the national list, this does not always mean it is of no heritage value. Buildings and other smaller features of the built environment such as fountains, railings, signs and landscaping can make a positive contribution to the appreciation of an area's historic interest and its general appearance.

Local listing is an important tool for local planning authorities to identify non-listed buildings and heritage assets which make a positive contribution to the locality. North Hertfordshire District Council currently has Registers of Buildings of Local Interest for Baldock, Hitchin, Letchworth, Newnham, Knebworth (parish) and Royston.

Do I need to make an application for routine maintenance work?

If routine maintenance works are to be carried out using authentic materials and traditional craft techniques, on a like-for-like basis, it is unlikely that you will need to apply for permission from the local authority. However, it is strongly recommended that you contact the local planning authority for clarification before commencing any works. The use of a contractor with the necessary skills and experience of working on historic buildings is essential. Inappropriate maintenance works and the use of the wrong materials will cause damage to the fabric of a historic building.

What is an Article 4 Direction?

Some conservation areas are covered by an Article 4 Direction, which brings certain types of development back under the control of a local planning authority. This is in addition to the exemptions outlined in the Permitted Development Order Act and, where in place, an Article 4 direction allows potentially harmful proposals to be considered on a case by case basis through planning applications. Article 4 Directions are used to control works that could threaten the character of an area and a planning application may be required for development that would otherwise have been permitted development. Historic England provides information on Article 4 Directions on their website. (<https://historicengland.org.uk/advice/hpg/historic-environment/article4directions>)

Can I demolish a building in a conservation area?

Demolition, or substantial removal of part of a building within a conservation area, will usually require permission from the local planning authority. It is important to speak to them before beginning any demolition works, to clarify if permission is required. This includes the demolition of boundary walls.

Will I need to apply for permission for a new or replacement garage, fence, boundary wall or garden structure?

Any demolition, development or construction in conservation areas will generally need planning permission. A replacement boundary, garage, cartlodge or greenhouse will need to be designed with the special historic and architectural interest of the Conservation Area in mind. North Herts Council will provide advice as to how to proceed with an application.

Can I remove a tree within a conservation area?

If you are thinking of cutting down a tree or doing any pruning work, the local planning authority must be notified 6 weeks before any work begins. This enables the authority to assess the contribution the tree makes to the character of the conservation area and, if necessary, create a Tree Preservation Order (TPO) to protect it. Consent will be required for any works to trees that are protected. Further information on TPOs can be found on Historic England's website (see below).

(<https://historicengland.org.uk/advice/planning/consents/tree/>)
website.

How can I find out more?

Historic England's website has information on conservation areas and their designation. Further information on the importance of conservation areas, and what it means to live in one, can also be accessed via their website (<https://historicengland.org.uk/advice/hpg/has/conservation-areas/>).

Historic England has also published an advice note called Conservation Area Designation, Appraisal and Management which sets out advice on the appraisal of conservation areas and managing change in conservation areas (Figure 3). (<https://historicengland.org.uk/images-books/publications/conservation-area-appraisal-designation-management-advice-note-1/>)

In addition, local planning authorities have information on the conservation areas within their boundaries available on their websites. They will have information pertaining to when the conservation area was designated, how far it extends and the reason for its designation.

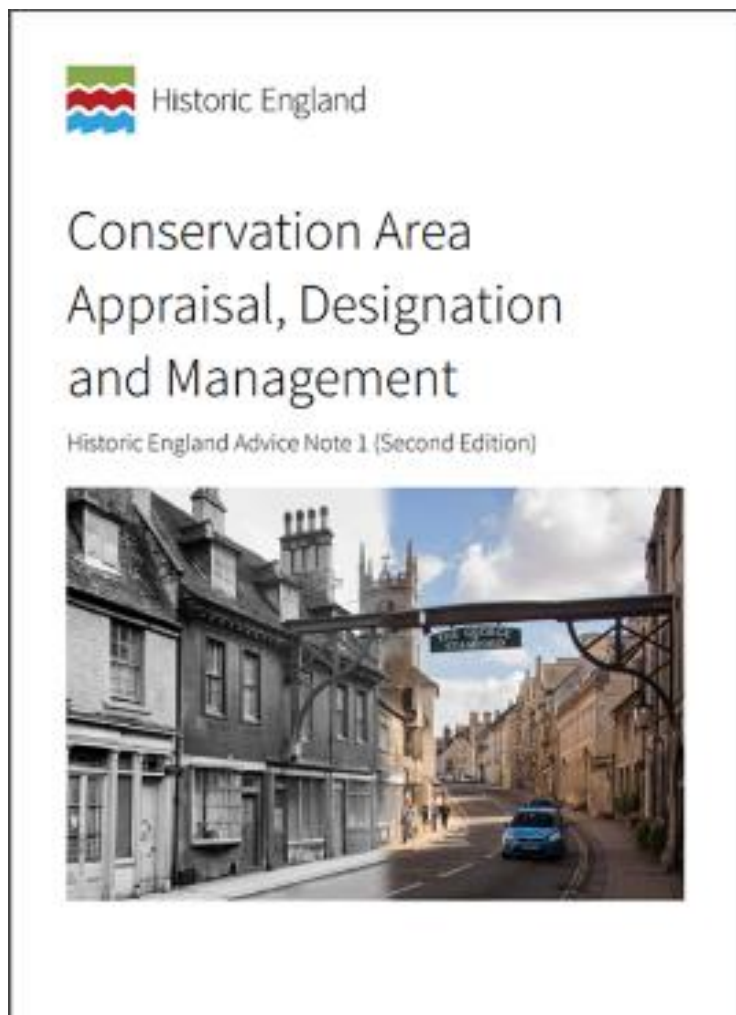


Figure 2 Cover Page, *Conservation Area Appraisal, Designation and Management*, Historic England

1.4. Planning Policy and Guidance

National Planning Policies

The national legislative framework for the creation, conservation and enhancement of conservation areas and listed buildings is set out Part II of the *Planning (Listed Buildings and Conservation Areas) Act 1990* (HMSO 1990).

Section 69 of this act requires Local Planning Authorities to designate areas which they consider possess architectural or historic interest worthy of preservation or enhancement as Conservation Areas. As part of this, section 71 of the Act requires the Local Planning Authority to formulate and publish proposals for the preservation and enhancement of these areas, such as in the form of an appraisal document. It is also the Local Authority's duty to ensure that special attention is paid to the desirability of preserving or enhancing the conservation when making planning decisions, as per section 72 of the Act.

National planning policy in relation to the conservation and enhancement of heritage assets is outlined in the Government's *National Planning Policy Framework*, or NPPF (DCLG 2021). Chapter 16 of the NPPF relates specifically to the historic environment, with Annex 2: Glossary providing a definition of heritage terms, some of which are reproduced in Appendix **Error! Reference source not found.** of this document.

Within the NPPF, the importance of heritage assets is outlined, with emphasis placed upon the contribution they make to the quality of life of existing and future generations. Local Planning Authorities should seek to preserve or enhance the historic environment, developing strategies which consider the wider benefits that the conservation of heritage assets can bring, and draw upon the contribution made by the historic environment to local character and distinctiveness.

A further national planning policy which applies is The Town and Country Planning (General Permitted Development) (England) (Amendment) (No. 3) Order 2020.

Careful consideration must be given to the Permitted Development Order by the Local Planning Authority, Residents and other Interested Parties, as many permitted development rights are removed in Conservation Areas.

Local planning policies

North Hertfordshire Draft Local Plan 2011 – 2031 Policies:

SP13: Historic Environment

Policy HE1: Designated heritage assets

Policy HE2: Heritage at risk

Policy HE3: Non-designated heritage assets

Policy HE4: Archaeology

1.5. Designation of the Conservation Area

In 2021, a report was commissioned from Place Services by North Hertfordshire District Council to assess the suitability of an area to the north of Stevenage known as Chesfield for conservation area designation.

To ascertain the boundary for the study area, documentary research was carried out utilising a number of primary and secondary sources including local history publications, maps, original plans and historic photographs held by the Hertfordshire Archives. A desk based archaeological assessment has also been conducted, considering the Chesfield area in the context of the wider landscape. Site walkovers were also undertaken in September 2021 and July 2022.

Through both the site visit and desk-based research, it was determined that as a combination of a well-preserved landscaped estate and agricultural land with archaeological potential, Chesfield has a distinct character and appearance, which contributes to the understanding of the historic use and development of the Chesfield area over time.

2. Chesfield

2.1. General Character

Chesfield is of an unspoilt rural character and is composed of a managed rural landscape, with woodland, coppices, meadows, and lanes (Figure 4).

The proposed Conservation Area has a central house and garden (Chesfield Park), and a farmstead complex including the former manor house to the north (Chesfield Manor). To the eastern edge of the proposed Conservation Area are areas of modern housing development. Elsewhere, the proposed Conservation Area is bounded by an agrarian landscape comprising large open arable fields; these fields lack a sense of enclosure, are sparsely populated with pockets of woodland and coppices, and hedgerow is widely dispersed.

Back Lane forms the main public route through the proposed Conservation Area and runs roughly west to east, with a branch of the lane forming a circuitous route to the north. There is limited development within the proposed Conservation Area, with the main focus of built structures being around Chesfield Manor and the ruined Church of St Eheldreda in the north of the area. The house at Chesfield Park is secluded, within a walled garden plot, and screened by trees. Aside from Back Lane, there are two public footpaths (Graveley 101 and 009) and a bridleway (Graveley 008), which are publicly accessible routes through the proposed Conservation Area. The majority of the southern section of the area has no direct public access and is the private parkland of Chesfield Park.



Figure 4: Aerial view of proposed Chesfield Conservation Area

2.2. Setting and Context

Chesfield is located in North Hertfordshire, approximately one mile east of the village of Graveley. It is within the boundary of North Hertfordshire District Council (NHDC). Stevenage, within the boundary of Stevenage Borough Council (SBC), borders the area to the south and east.

Although Stevenage has Saxon origins, the town is characterised by its New Town development, having been the first designated New Town as part of the 1946 New Towns Act. The New Town absorbed small hamlets, farmsteads and settlements surrounding the pre-existing High Street, expanding Stevenage rapidly in the post war years.

St Nicholas/Rectory Road Conservation Area and the proposed Chesfield Conservation share a boundary (Figure 5). The St Nicholas/Rectory Road Conservation Area encapsulates an area surrounding St Nicholas' Church, which is the earliest recorded part of the town and now forms the outer, north-western section of Stevenage. Part of the church tower dates from the twelfth century however a wooden structure may have previously occupied the site.

The St Nicholas/Rectory Road Conservation Area was designated in 1982, extended in 1984 and revised again in 2007. It is within the jurisdiction of Stevenage Borough Council, who have a published an appraisal and management plan for the Conservation Area which is available for download on their website.



Figure 5: Aerial view of Chesfield (edged in red) showing the St Nicholas/Rectory Road Conservation Area boundary to south-west (edged in green)

2.3. Origin and Evolution

The following section provides an overview of the history and development of the proposed Conservation Area. Hertfordshire's Historic Environment Record (HHER) has been used as a reference point for this history. Where appropriate HHER references are included within the text. A full list of HHER results within the study area is reproduced in **Appendix 5.5**.

The Place Name

The historiography of Chesfield has proffered numerous theories as to the origin of the place name of Chesfield. The most convincing view on the subject came from Robert Clutterbuck, in his history of 1821. His theory is that 'Chesfield' is a contraction of Chellsfield, Chells being the name of a small adjoining lordship. Chells Manor lies approximately two miles south-east of Chesfield. Harold A. Roberts, writing in 1952 endorsed this theory because '*Chells and Chesfield were called either Escelveia or Scelva in Domesday Book, Chells being the larger of the two, and from the manor of Chells itself was created the manor of Chesfield.*'¹ This appears to have happened during the reign of Edward I, as in 1274 both were called Scelva, whereas in 1294 one was called Chelse (the manorial name for the family of William de Chelsen), now Chells, and the other change to Chevesfeld. Chesfield, the present name altered from Chisfield, seems but a contraction of Chevesfeld.

Prehistoric Period (500,000 BC to 43 AD)

No sites of a prehistoric date are recorded within the proposed Conservation Area, however archaeological finds dating from the late bronze to the late iron age have been found in a number of locations close to the proposed boundary, particularly in the immediate vicinity of Round Wood (HHER 12655, 16655, 16656). Several of these finds indicate domestic use.

Roman Period (43 AD to 410 AD)

A series of earthworks within woodland to the west of the Chesfield Manor farmstead (annotated HHER 9801 on Figure 19) have been interpreted as evidence of cultivation terraces. At least two lynchets (a ridge or ledge) are present within the woodland, with possibly a third visible in grassland to the south. The age of these earthworks is uncertain, but a Roman or Medieval or date seems most likely.

First century Roman coins have also been found in the immediate vicinity of Harbourclose Wood which is located to the north of the proposed Conservation Area (HHER 11399).

¹ Roberts, Harold, A., *Chesfield: The History of an Ancient Hertfordshire Parish*, (1952) p.6

Anglo-Saxon (410 AD to 1066 AD)

St Etheldreda (636–679 AD) was an Anglo-Saxon, East Anglian princess and Abbess of Ely. This dedication of the church suggests the Anglo-Saxon origins of a manorial and church complex at Chesfield.

Medieval (1066 AD to 1540 AD)

The oldest structure in the proposed Conservation Area is the remains of a ruined thirteenth -century church dedicated to St Etheldreda (NHLE no: 1102564). The existing church appears in records during the reign of Edward 1, when it was rated in the ecclesiastical commission made by order of Pope Nicholas IV and therefore it is known that the church was standing in 1291. There is documentary evidence of a church on the site in 1216 which may have preceded the existing structure. The ruins are Grade II* listed and comprise a single cell chancel, nave and south-east chapel (Figure 17). The church remained in use until 1731, and in 1750 it was partially demolished in order to provide materials for the repair of St Mary's Church in Gravely (1.2km to the west). There are accounts that along with building materials, pews, furniture and other items were also removed to the church at Gravely.

Aside from the ruins of the twelfth-century Church of St Etheldreda (HHER 35), the HHER records no sites of a Medieval date within the proposed Chesfield Conservation Area. It has been suggested that the remains of a deserted Medieval village lie at Chesfield, but this does not appear to be the case. Presumably, however, there would have been a Medieval predecessor to the current Chesfield Manor Farmhouse, associated with the church. However, it is unknown whether the earlier

dwelling was in the same location as the current farmhouse, or elsewhere in the complex.

In the mid-fifteenth century Edward Barrington, in possession of the manor of Chesfield, purchased the manor of Graveley from Ralph de Monte Cavisio. From this point until the mid-nineteenth century, the descent of Graveley manor and Chesfield manor are notably similar.

Post-medieval and Modern (1540 AD to present)

The seventeenth century Chesfield Manor Farmhouse (detailed in Section 2.4) is also recorded in the HHER (2895). The HHER suggests that there is no evidence for the partial demolition of the building (as postulated in the listing entry), and that this manor house presumably became a farmhouse when Chesfield Park was laid out in c.1680 and its associated dwelling constructed.

The majority of the proposed Conservation Area is occupied by Chesfield Park, a large, landscaped park with an associated house and garden (HHER 9567). The park is first recorded on the 1766 Drury and Andrew map of Hertfordshire (Figure 6) but has earlier origins. Whilst the Drury and Andrew map is relatively stylized and cannot be wholly relied upon in terms of both scale and orientation, it clearly shows both Chesfield Park and Chesfield Manor, although at the time of the map's survey they were referred to as "Chisefield Lodge". Visible detail includes the walled garden to the north of the Chesfield Park house, a regular-shaped water feature within the park, and the church, which is incorrectly shown to the north of the manor complex and is depicted as

intact. This suggests some artistic license as it is known that the church fell out of use in 1731 with materials removed from the site in 1750.

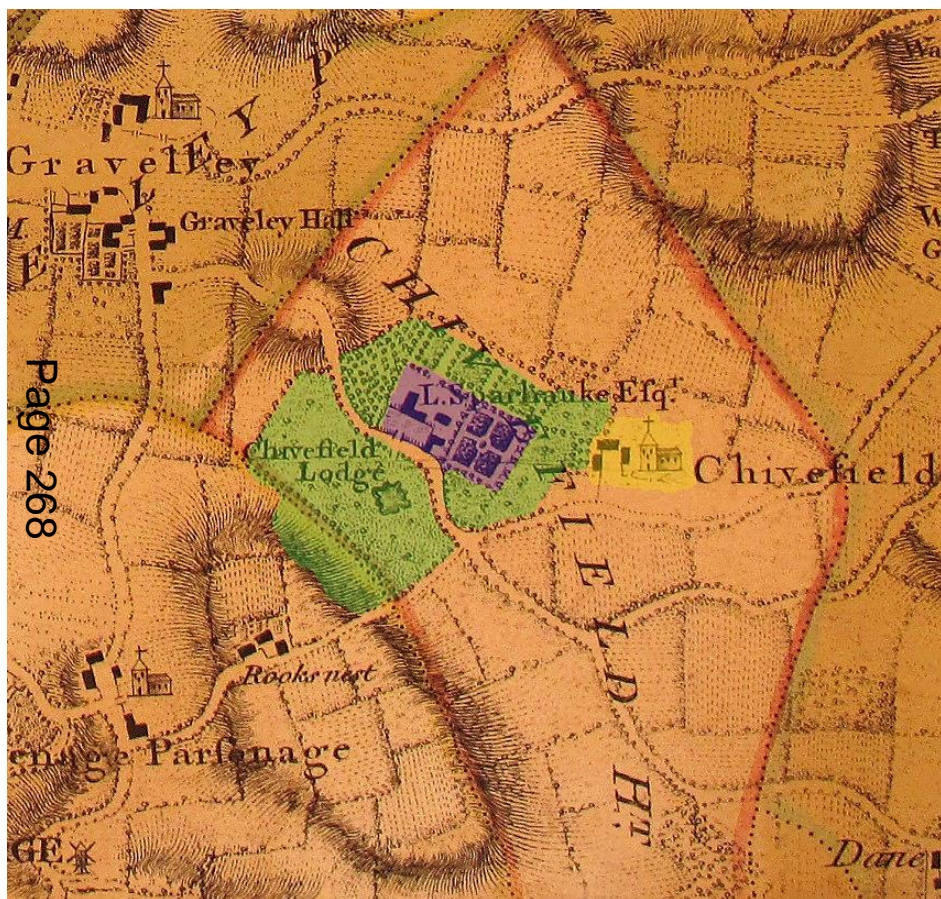


Figure 6: 1766 Drury and Andrew Map of Hertfordshire. Chesfield Park is highlighted in green, with the house and walled garden in blue. Chesfield Manor complex, including the church, are in yellow. North is to the top right

Immediately to the north of the farmhouse and ruined church are the earthwork remains (HHER 1104) of post-medieval farm buildings that were demolished in the nineteenth century. It was initially presumed that these earthworks represented the remains of the aforementioned deserted medieval village, but more research suggests otherwise (Cocroft W. D. 1990). Upon comparison of the 1839 Tithe Map (on which the earlier farm buildings are still extant; Figure 9) with the location of the earthworks (visible to the northwest of the farmstead in Figure 19), this conclusion appears sound.

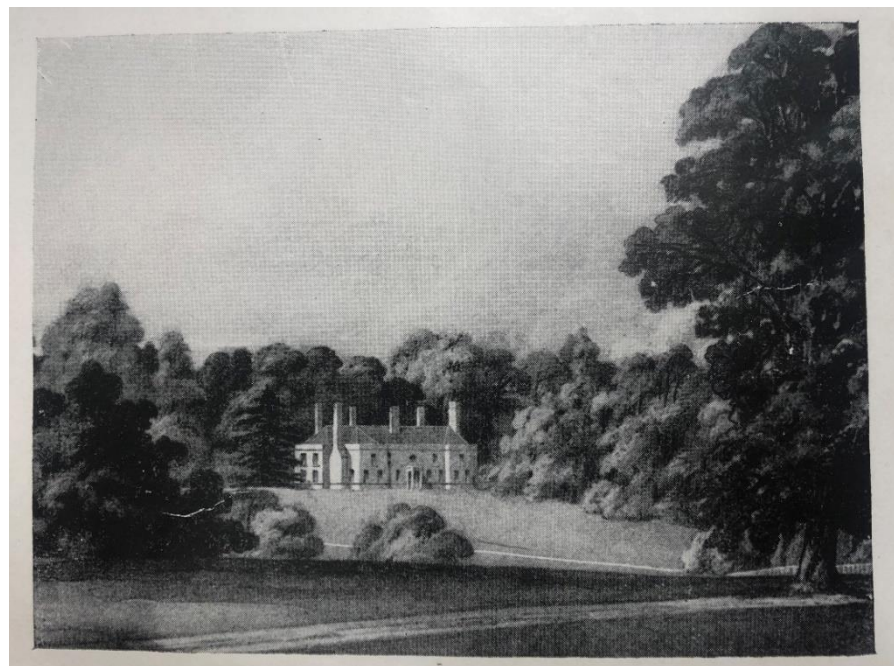


Figure 7: Chesfield Park in 1850, taken from an old print (Harold A. Roberts)

The house at Chesfield Park, erected about 1680, fell into disrepair and was demolished in 1950 by the new owner of the estate who rebuilt a smaller house on the site of the old. The previous building is recorded as being plain, with very little architectural pretension, the front being of brickwork, with painted stone or cement architraves around the windows. Historic prints show a portico to the principal entrance (Figure 7). A feature of particular note is the surviving walled garden to the north of the house, which is visible on the 1766 mapping and is of historic interest.

In 1750, St Etheldreda's Church was demolished under a licence granted by the Bishop of Lincoln, in whose diocese the church then was. Its materials have been used from time to time to repair the Church at Graveley.

The tithe maps are much more accurate than the earlier mapping and serve to show the area in considerable detail for the first time (Figures 8 and 9). Of note is that the large water feature visible on the 1766 map is still present to the south of Chesfield Park (shown as Chisfield Lodge), and that Chesfield Manor contains several farm buildings that have since been demolished. The woodland to the west of Chesfield Manor (the location of cultivation terraces; HHER 9801) is not extant at this point, suggesting the area was still being used as farmland. The accompanying tithe apportionment to these maps shows that the entire area is owned by an "Edward Parkins" (descendant of Edward Barrington) who was also owner of the Manor of Graveley.



Figure 8: Graveley Tithe map (1839). Chesfield Park house and walled garden are highlighted in blue with Chesfield Manor house and ruined church in yellow

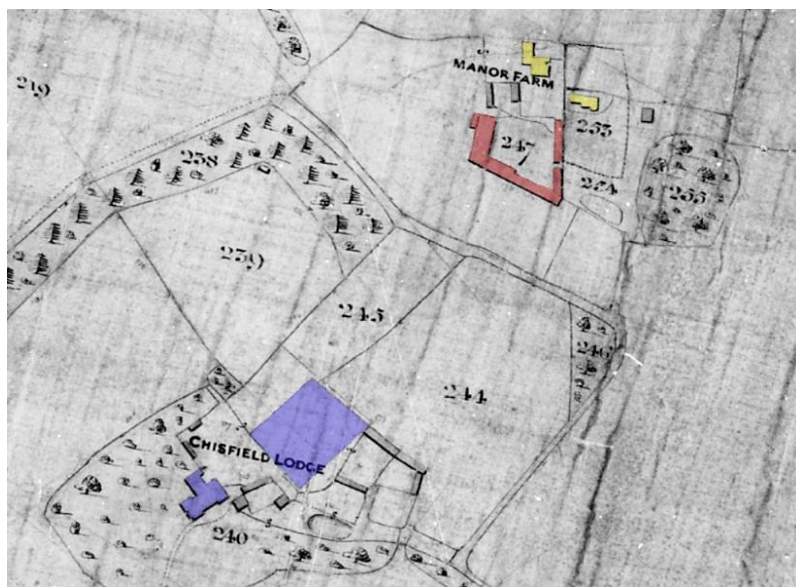


Figure 9: Detail of Figure 8 showing buildings in Chesfield Park and Chesfield Manor, from Graveley Tithe map (1839). Chesfield Park house and walled garden highlighted in blue, Chesfield Manor house and ruined church in yellow. Farm buildings in red.

The farmstead complex to the north of the farmhouse (HHER 9342) is of a typical mid-nineteenth century model farm layout, with three north-south ranges and a fourth perpendicular range at the northern end (Figure 12). Many of the buildings have since been rebuilt, yet several original nineteenth-century buildings survive. The easternmost of the north-south ranges was converted into residential use in 2004, and the work was preceded by a historic building survey (Sammelmann K. 2004). Several large, modern farm buildings were constructed to the north of this complex in the latter half of the twentieth century. A

programme of archaeological monitoring was carried out to the north of this complex in 1997 during the construction of a riding arena, but only modern remains were encountered (Turner C. 1997).

John Edwin Cussans, a Hertfordshire historian, writing in 1874, stated that the church had become a complete ruin.

The six-inch OS map of 1878-1881 (Figure 10) shows many of the same features as the preceding tithe maps, but with some notable changes. A model farm complex in Chesfield Manor has been constructed, with the earlier farm buildings having been demolished. Details of the model farm (HHER ref: 9342) can be found in **Appendix 5.4**.

The woodland containing the cultivation terraces (HHER 9801) to the west is beginning to form, although is still significantly smaller in extent than that of today. The woodland to the south-west ('Ten Acres Plantation') has also expanded slightly. Conversely, the woodland to the far north of the area (labelled as 'Habourclose Wood') has reduced in size, perhaps suggest some deliberate clearance.

The following pages show OS maps from 1896 onwards (Figures 11-15). Very little change occurs between 1896 and 1946. The first encroachment of modern Stevenage towards Chesfield occurred in the late 1990s/early 2000s, with the building of houses along the south-eastern edge of the area.

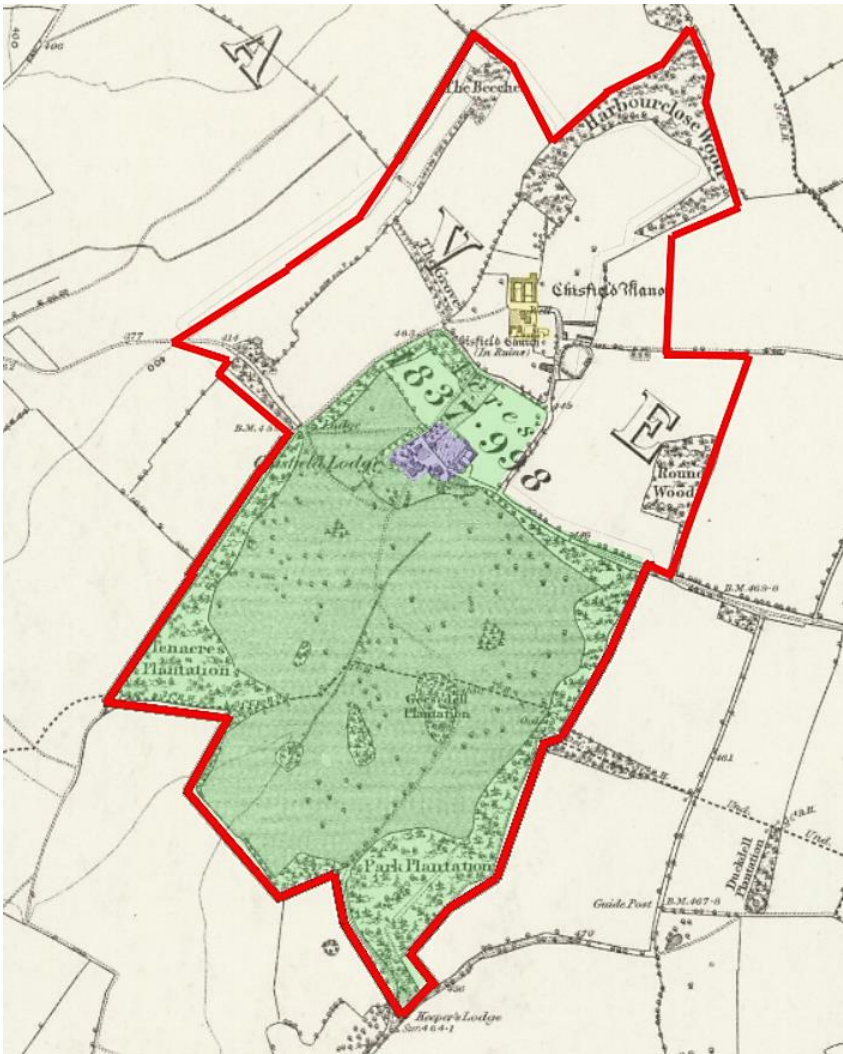


Figure 10: First edition six-inch OS map (1878-1881). Extent of Chesfield Park highlighted in green, with house and garden in blue. Chesfield Manor complex, including church, in yellow

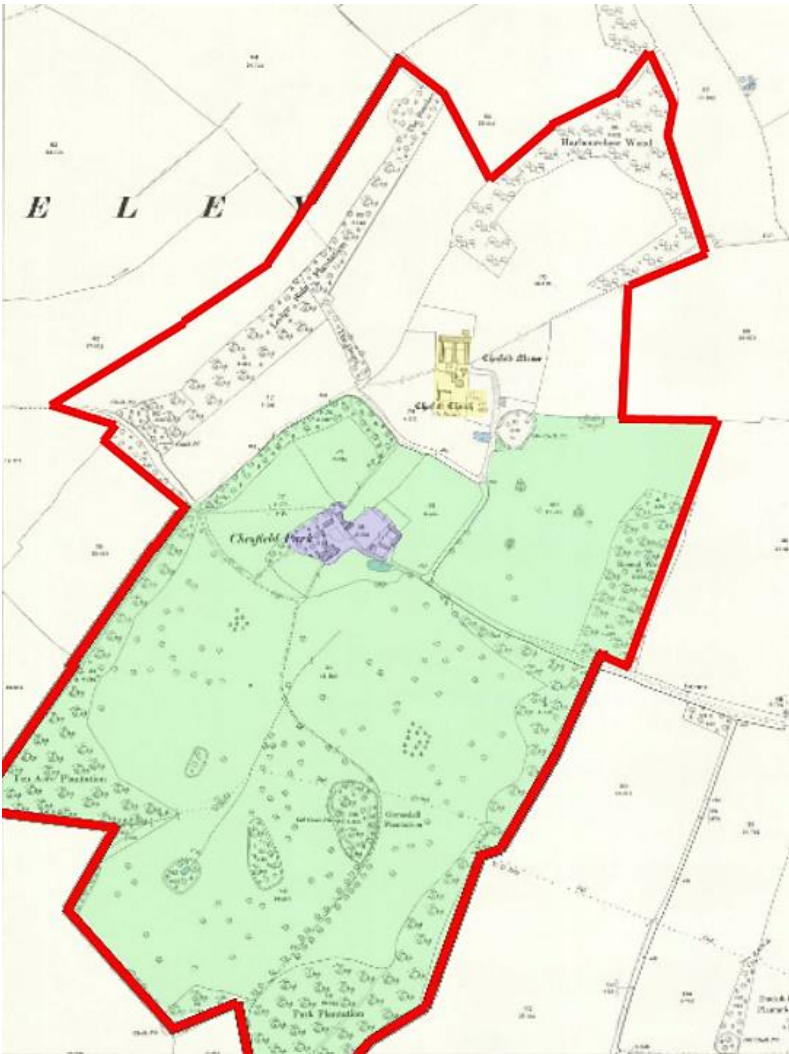


Figure 11: 1896 OS twenty-five-inch map. Extent of Chesfield Park highlighted in green, with house and garden in blue. Chesfield Manor complex, including church, in yellow

V E L E Y

1837-998

The Beeches

Harbourclose Wood

Lodge Side Plantation

The Grove

Chesfield Manor

Chesfield Ch. (In Ruins)

Old Chalk Pit

Round Wood

Lodge F.P.

Chesfield Park

Ten Acre Plantation

U.D. By.

Old Chalk Pit

Oak

Gorsdell Plantation

Park Plantation

Chalk Pit

Duckdell Plantation

B.M. 469-6

433

400

377

414

463

453

432

446

460

465

20

There is evidence of historic quarrying to the southeast of the Church of St Etheldreda. The Ordnance Survey (OS) maps of the late-nineteenth century label some features as “old chalk pit”. One of these same landscape features appears to be visible on the 1766 Drury and Andrew map (to the south of Chesfield Lodge). Therefore, quarrying at Chesfield is likely to have occurred in the eighteenth century or earlier.

The OS map of 1896 (Figure 10) shows the area referred to as “Chesfield” for the first time. A continuing growth of the woodland to the west of the area is also visible and is labelled as “*Ledge Side Plantation*”. The woodland on the eastern extent of the site (Round Wood) has also increased in size. The large water feature in the south of the park, as well as some others around the periphery of the area (such as one to the east of the farm complex) are now labelled as “Old Chalk Pits”. Given some of these have been present from the earliest mapping, their age is uncertain, but are presumably Medieval or Post-Medieval in origin. It certainly appears they predate the landscaping of the park and have been incorporated into its design subsequently.

By the end of the nineteenth century, Chesfield Park has expanded in size by the date of this map, with the field to the north-east having been incorporated into it no longer in arable use. This is visible most clearly on the smaller scale six-inch OS map of 1896, on which the park’s extents are shaded (Figure 13).

Figure 14 shows the 25” OS map (surveyed 1922). This map shows essentially no change from the 1896 OS map.

Figure 15 shows the six-inch OS map surveyed 1946. As with the previous map, little has changed by the time of this map’s survey. In the interim between this map and the current layout of the area, the

woodland to the west has grown in size, while the one to the north has reduced further. The remainder of the woodlands surrounding the site have remained largely identical in extent (Figure 2). As mentioned previously, several large modern farm buildings have been constructed to the north of Chesfield Manor, but apart from this the area has remained undeveloped.

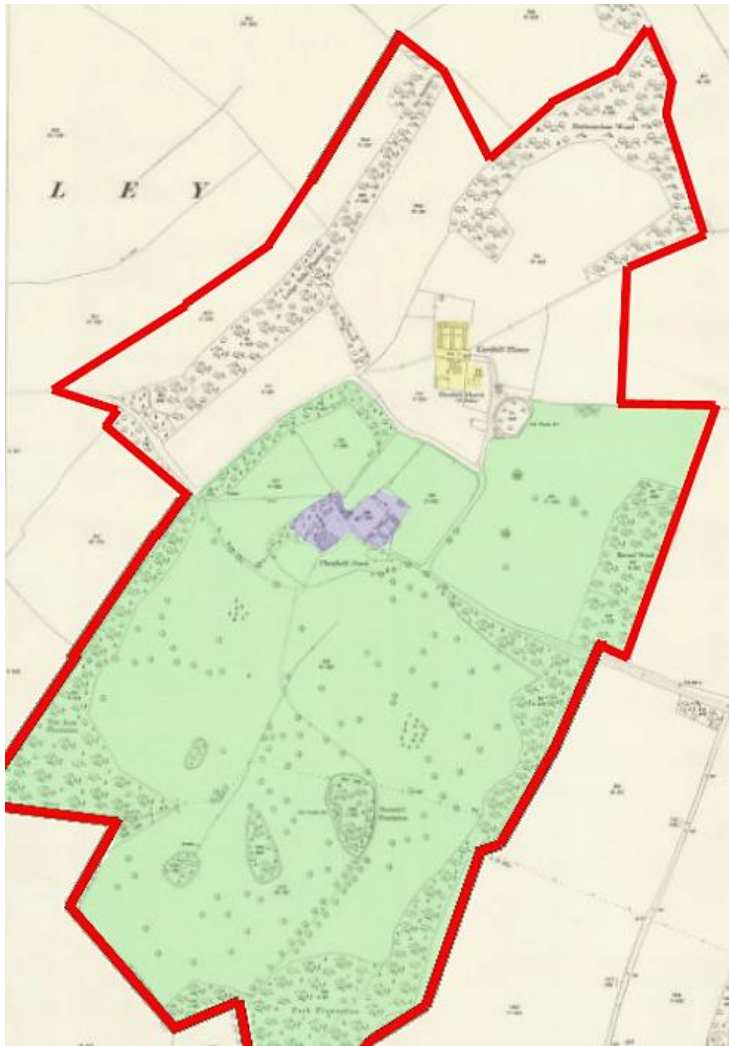


Figure 14: The twenty-five-inch OS map (1922) shows little change in the early twentieth century.

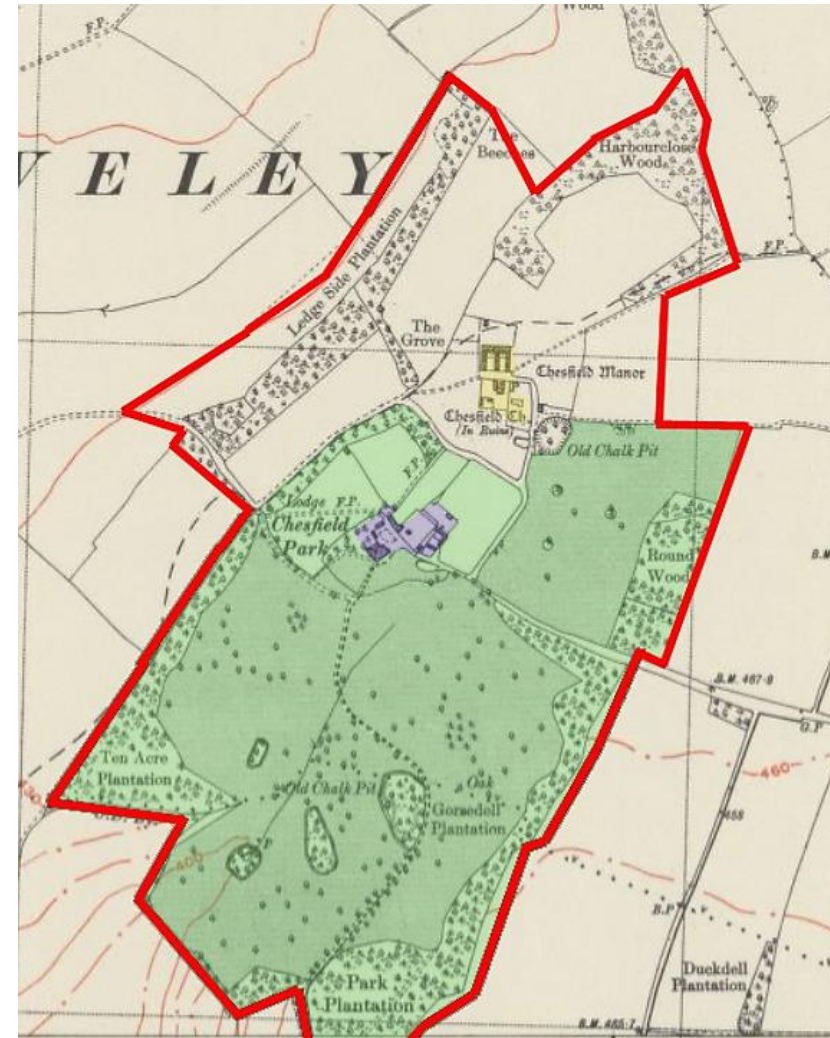


Figure 15: The six-inch OS map (1946). The extent of Chesfield Park has been highlighted in green, with house and garden in blue. Chesfield Manor complex, including church, is in yellow.

In the 1950s a small group of volunteers undertook a programme of site clearance, removing the ivy, other vegetation and trees (Figure 16). Following this, repairs and restoration of the walls were completed.



Figure 16: Chesfield Manor and St Eltheldreda's Church (1951). The church is ruinous and covered with a thick vegetation (*Harold A. Roberts*)

2.4. Designated Heritage Assets

Within the proposed Conservation Area are three Listed Buildings and one Scheduled Monument (Figure 19).

Listed Buildings

All three of the listed buildings are located in the north of the proposed area, within the farmstead complex of Chesfield Manor.

The oldest is the remains of the ruined thirteenth-century church dedicated to St Etheldreda (NHLE no: 1102564) (Figure 17).

The ruins of St Etheldreda were consolidated in the 1950s and again in the 1980s. The structure consists of flint rubble walls with clunch dressings. The structure is unroofed, perhaps due to it being robbed of materials in the eighteenth century. Plastering remains on some walls and some areas of internal plaster have traces of painting to simulate masonry.



Figure 17: The ruins of Grade II* Listed and Scheduled St Etheldreda Church

Immediately to the north-west of the ruined church lies the grade II listed Chesfield Manor Farmhouse (NHLE no: 1102563) (Figure 18). Constructed in the late seventeenth century, the listing entry describes it as being partially demolished before being converted into a farmhouse in the c.1770s. However, the HHER (see Appendix 5.4) disputes this account. Regardless, the building was renovated and had rear extensions added in the nineteenth century.

Manor House is a two-storey red-brick, hipped roof farmhouse, now house, with red-brick chimney stacks, gabled nineteenth-century entrance, and a varied fenestration.

The final statutorily listed structure in the area is the Grade II listed boundary wall and gate piers to the south-west of the farmhouse (NHLE no: 1347400), added to the site in the eighteenth century. It is constructed of red brick in Flemish-bond and approximately three metres in height, with square gate piers.

Scheduled Monument

The grounds of the ruined church are a scheduled monument (NHLE: 1003542). Due to its poor condition, it is on the Historic England Heritage at Risk Register.



Figure 18: The rear of the Grade II Listed Chesfield Manor Farmhouse

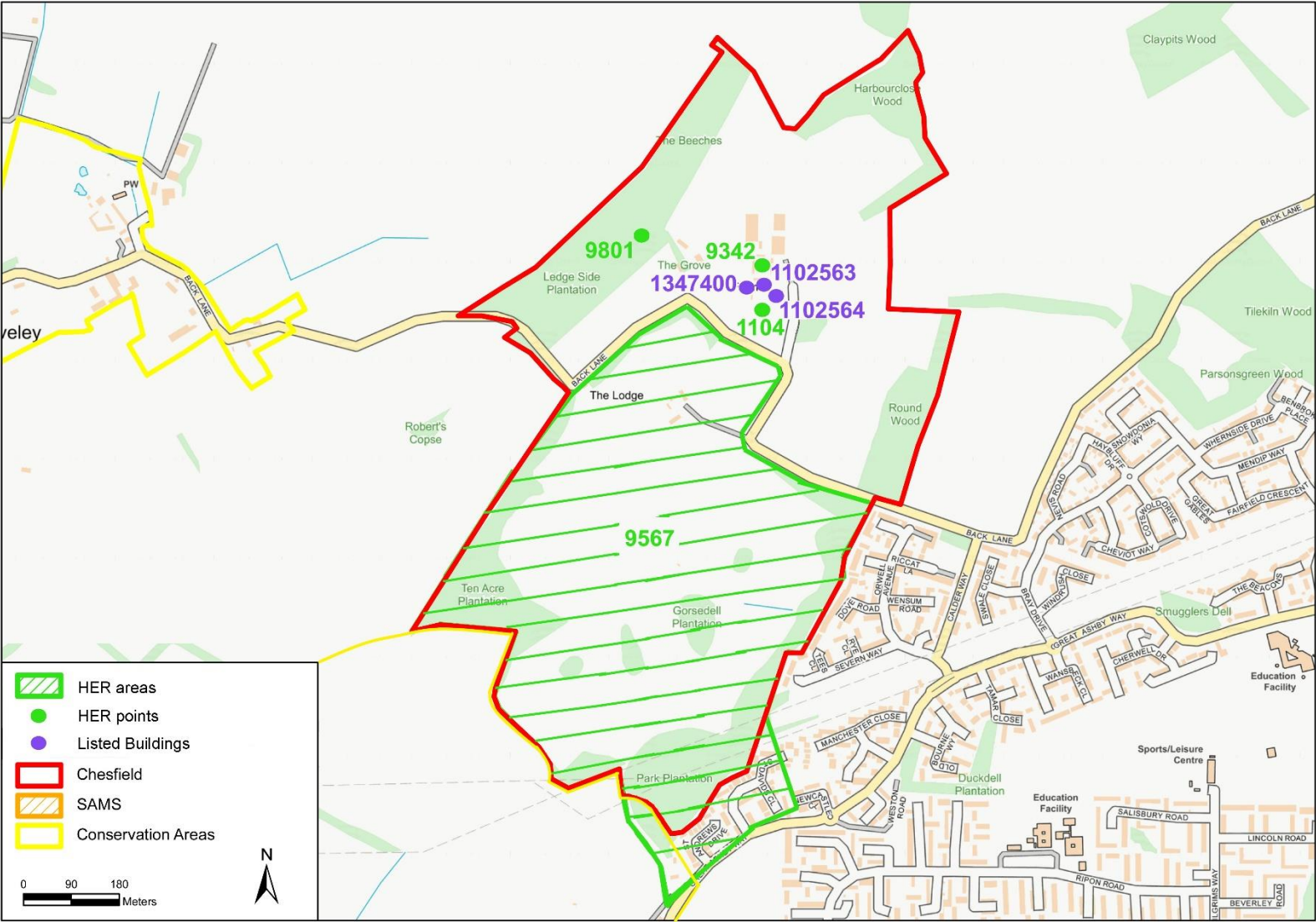


Figure 19: A map of the proposed Conservation Area showing designated heritage assets and HHER features

2.5. Non-Designated Heritage Assets

Chesfield Park house and garden wall are set back from Back Lane, although views of them can be attained from the public realm on Back Lane. The garden boundary wall surrounding Chesfield Park House is an unlisted structure that is likely to be contemporary with the earlier seventeenth to eighteenth-century building on the site that was demolished in the 1950s, when the house was rebuilt (Figure 20). The wall should be considered as a non-designated heritage asset due to its historic and architectural interest.



Figure 20: The garden wall at Chesfield Park

2.6. Heritage at Risk

The ruins of the Church of St Etheldreda are both a Grade II* Listed structure and a Scheduled Monument. The Heritage at Risk Register from Historic England includes an entry for the Scheduled Monument. The list entry is based on a survey carried out in 2017 and describes the structure as being in poor condition, with slow decay and no solution agreed as to its future conservation (Figure 21). The building is in private ownership, being within the grounds of Chesfield Manor. Being a roofless ruin, the conservation of the heritage asset would be limited to the upkeep of the masonry structure and the reduction of invasive plants and the prevention of root damage. It is constructed of consolidated flint rubble and the Heritage at Risk Register notes that the wall facing is being lost. Stone arches, quoins and dressings around openings are also deteriorating and part of the structure is propped up internally with scaffolding.



Figure 21: Scaffold shoring within the ruins of the Church of St Etheldreda

2.7. Archaeological Potential

Archaeological remains of a post-Medieval date are by far the most likely to survive on the site and there is high potential for archaeological finds within the study area from this period. Evidence may survive within the country park relating to since-removed landscape features such as ponds or gardens, and occupation evidence of this date will survive around both the Chesfield Park house complex and Chesfield Manor farmstead. Indeed, the earthworks to the south of the farmstead have already been established to be the remains of post-medieval farm buildings (Section 2.3).

Earlier, medieval remains are likely to be focused to the north of the area, around the thirteenth/fourteenth century church. Amongst these are probably the remains of an earlier dwelling contemporary with the church, although, as postulated previously, this may lie beneath the current seventeenth century house. Even though the presence of a deserted medieval village has been discounted, the site appears to represent a manorial/church complex, a form of settlement that is prominent in the early Medieval period. The presence of other remains, including buildings relating to this complex seems likely.

Based on the evidence provided by the HHER and NHLE, the potential of archaeological remains of a prehistoric, Roman or Anglo-Saxon origin within the proposed Conservation Area is low. A small selection of Late Bronze Age-Early Iron Age pottery sherds was found immediately to the east during a trial-trenching evaluation (HHER 16655, 16656) but the small scale of the associated remains suggest they may not project into the area.

Although the potential for archaeological remains pre-dating the Medieval period on the site appears low, it should be noted that previous archaeological investigations in the area have been extremely limited. With this in mind, the possibility of prehistoric, Roman, or Anglo-Saxon remains surviving within the proposed Conservation Area should not be entirely discounted. In particular, the extensive landscaping undertaken during the construction of the country park in the post-medieval period may have masked evidence of earlier landscape uses and settlement activity.

A search of the Hertfordshire Historic Environment Record within the study area identified six known heritage assets and two areas of previous archaeological work. A map of these assets is included on the previous page on Figure 19; the HHER records are almost exclusively mapped in the areas of the study area in which built form is present. The exception to this is record 9801, which is recorded as earthworks providing evidence of cultivation terraces within the woodland

2.8. Landscape

The South Suffolk and North Essex Clayland National Character Area covers the four counties of Suffolk, Essex, Hertfordshire and Cambridgeshire. It stretches from Bury St Edmunds in the north-west to Ipswich in the north-east, roughly following the line of the A14 trunk road through the Gipping Valley. It then embraces the Colchester hinterland before encompassing the urban areas of Braintree and Chelmsford in the south and stretching to Bishop's Stortford and Stevenage in the west.

It is an ancient landscape of wooded arable countryside with a distinct sense of enclosure. The overall character is of a gently undulating, chalky boulder clay plateau, the undulations being caused by the numerous small-scale river valleys that dissect the plateau. There is a complex network of old species-rich hedgerows, ancient woods and parklands, meadows with streams and rivers that flow eastwards. Traditional irregular field patterns are still discernible over much of the area, despite field enlargements in the second half of the twentieth century. The widespread moderately fertile, chalky clay soils give the vegetation a more or less calcareous character. Gravel and sand deposits under the clay are important geological features, often exposed during mineral extraction, which contribute to our understanding of ice-age environmental change.

The area's rich archaeology provides evidence of a long history of settlement and significant past wealth and importance, including Palaeolithic finds, Roman sites, medieval monasteries and castles, isolated moated farmsteads, barns and a number of large country houses.

3. Assessment of Significance

3.1. Summary

The significance of the proposed Chesfield Conservation Area derives from its special architectural and historic interest.

Architecturally, the proposed Conservation Area contains a rich variety of building types and ages illustrating the development of the area, whilst also contributing aesthetically to the variety of building materials, styles, design, and detailing. The building stock can be easily appreciated within the historic landscape contributing to a strong sense of place.

The historic functions of the buildings and their settings contribute to an understanding of the development of the area and its historic land use.

The landscape of the proposed Conservation Area which includes the unaltered designed parkland of Chesfield Park, the agrarian fields, and dense woodland permit also make a positive contribution to the rural character and appearance of Chesfield.

3.2. Character Areas

For the purpose of this appraisal, the proposed Conservation Area is divided into two unified Character Areas, loosely defined as:

- Character Area One: Chesfield Manor
- Character Area Two: Chesfield Park

The areas have been determined by building typology, historical development, land use and appearance. Many of the defining characteristics of each Character Area are present and repeated in both sections of the proposed Conservation Area, which emphasises the local character and appearance of the proposed Conservation Area. The following descriptions are not exhaustive, aiming instead to provide an accessible account of each Character Area which will allow for an informed understanding of the special interest and defining features of the proposed Conservation Area.

Key buildings, prevailing architectural styles, building materials, spatial planning, landscaping and boundary materials are detailed in the description of each Character Area to highlight the special architectural and historic interest of the two zones. Photographs are included to aid the descriptions, providing examples of where appropriate.

Key views have been identified within each Character Area, and views from outside the proposed Conservation Area from which its special

interest can be recognised are also highlighted where appropriate. There may, nevertheless, be other views of significance within or beyond the proposed Conservation Area's boundary which contribute to how it is appreciated and understood. Any proposals for development within the proposed Conservation Area, or its environs, should thus not only consider the views identified within this document but also any others which are relevant or highlighted as part of a bespoke assessment of that proposal.

3.2.1. Character Area One: Chesfield Manor

Summary

Character Area One has an unspoilt, enduring rustic character and encompasses the northern section of the proposed Conservation Area (Figure 22). The Character Area is centred on the site of Chesfield Manor, and is bounded to the east, north, and west by woodland. The historic attributes and features within this area can be easily appreciated within its rural setting, the more prominent of these being the three designated heritage assets which include Chesfield Manor, the boundary wall, and the ruinous church of St Ethledreda.

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From Back Lane along the public footpaths, the arable fields within the Character Area can be easily viewed permitting a sense of openness despite the sections of dense woodland which partially enclose the Character Area.

The well-maintained path, lined by mature trees, hedgerows, and timber post-and-rail fencing provide a tranquil means by which to experience the Character Area, enhancing the rural character.

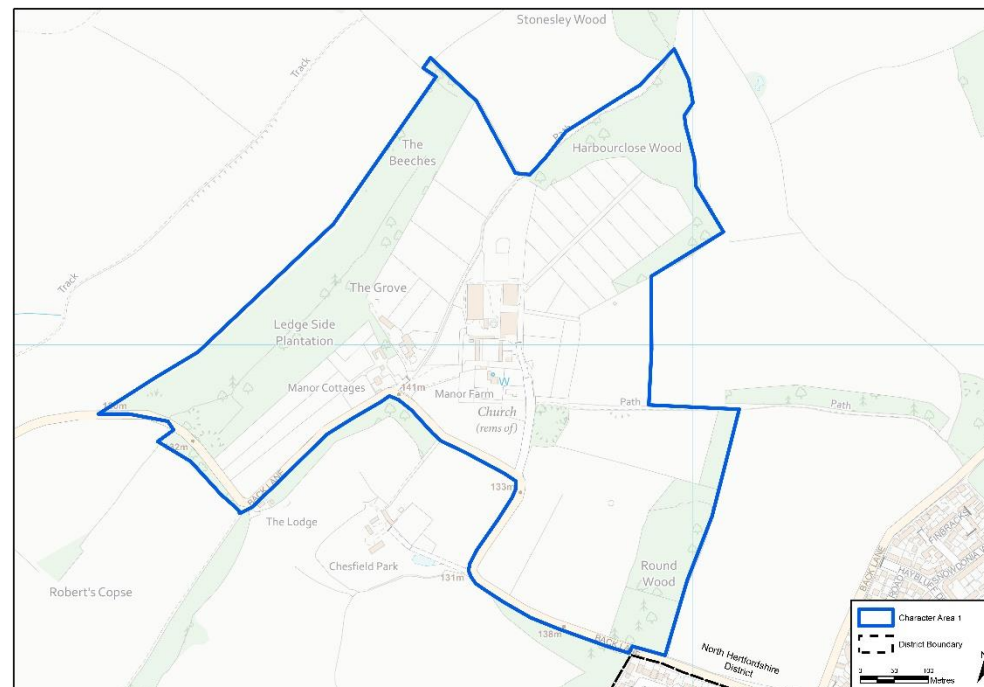


Figure 22: Map showing Character Area One shaded in blue

Layout and Land Usage

The land usage is predominantly pastoral, although the area has not recently been used for intensive modern farming or arable agriculture. The fields and meadows are primarily used for pasture while paddocks for horses are also common to the north and east. Within this Character Area buildings are almost exclusively farm buildings associated with Chesfield Manor, with some residential uses.

Landscaping and Open Spaces

By virtue of the principal land usage, Character Area One features swathes of open space which makes a significant contribution to the character of the area. Mature trees are plentiful within the Character Area, particularly along Back Lane on the approach northwards to Chesfield Manor adding to its rural character and appearance (Figure 28). Small, landscaped gardens, associated with Chesfield Manor and the residential buildings, can occasionally be glimpsed from Back Lane.

Traditional and Local Building Materials

Although limited, much of the built form within the proposed Conservation Area falls within the boundary of Character Area One. Many of the buildings have been constructed using traditional, natural materials.

Roofs

The roof coverings of the farmstead buildings around Chesfield Manor and the house itself are predominantly clay plain tiles, whilst the more recent twentieth-century dwelling to the east has utilised a pantile roof covering. Some of the more modern agricultural buildings and stables to the north of the farm buildings have used cementitious tiles which have a comparatively flat appearance. The red-brick chimneystacks to the residential dwellings, particularly Chesfield Manor, are an attractive and prominent feature of the roofscape.

Rooflights are not a common feature within the Character Area and, where present, detract from the traditional and vernacular appearance of the roofscape.

Walls

Red brick and timber weatherboarding are common walling materials and typify the Hertfordshire vernacular, while the twentieth-century dwelling is of rendered masonry.

Flint, along with clunch, was used in the construction of St Etheldreda's Church, the remnants of which remain. Both flint and clunch are common materials in East Anglia, with the former being especially utilised in higher status buildings.



Figure 23: (Above): Red-brick chimneystack at Chesfield Manor

Figure 24: (Below): The remains of a flint wall at St Etheldreda's Church

Boundary Treatments

Hedgerow and low-lying wooden fences are the dominant boundary type which responds to and reinforces the rural character and appearance of the Character Area (Figure 25). The only exception is the boundary wall to the south-west of Chesfield Manor which is a more formal eighteenth-century brick wall with square gate piers featuring stone capping, listed at Grade II (Figure 33).



Figure 25: Hedgerows and fencing are common boundary treatments

Public Realm

There are very few areas of public realm, which is largely confined to the thoroughfare of Back Lane, and public footpaths.

Lined with mature trees, hedgerows, and post-and-rail fencing, these public areas make a positive contribution to the rural and rustic character of the area (Figure 26).

Street furniture is minimal, which adds to the naturalistic character of the area, and is almost exclusively confined to signposts indicating public footpaths (Figure 27).

Key Buildings

Designated

All three listed buildings within the Conservation Area are located within Character Area One:

- The Grade II* listed Church of St Etheldreda (the grounds of which are a Scheduled Monument)
- The Grade II listed Manor Farmhouse
- The Grade II listed Boundary Wall and Gate Piers to Garden on South West and West of Manor Farmhouse

These buildings are described in Section 2.4 of this document.



Figure 26: Mature trees along Black Lane on the approach to Chesfield Manor



Figure 27: Signpost indicating public footpath 009 and post-and-rail fencing

Negative and Neutral Contributors

A number of the more modern agricultural buildings to the north of Chesfield Manor are of an industrial character with modern materials used in their construction, such as corrugated cementitious cladding (Figure 28).

However, whilst these structures have a negative impact on the character and appearance of Character Area One and the setting of the designated heritage assets located at Chesfield Manor, they are typical of modern agricultural buildings and are therefore not at odds with the pastoral character of the proposed Conservation Area.

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Figure 28: Modern buildings behind Chesfield Manor with corrugated cladding

3.2.2. Character Area Two: Chesfield Park

Summary

Character Area Two comprises the unaltered, historic landscaped parkland of Chesfield Park including house and walled garden, encompassing the southern section of the proposed Conservation Area (Figure 29). Whilst views of the park are limited from public vantage points, the open spaces, and historic features and attributes make a significant contribution to its character.

The dense woodland which surrounds the Character Area allows for a strong sense of enclosure which is a key characteristic and enhances the understanding of the park's original intended use.

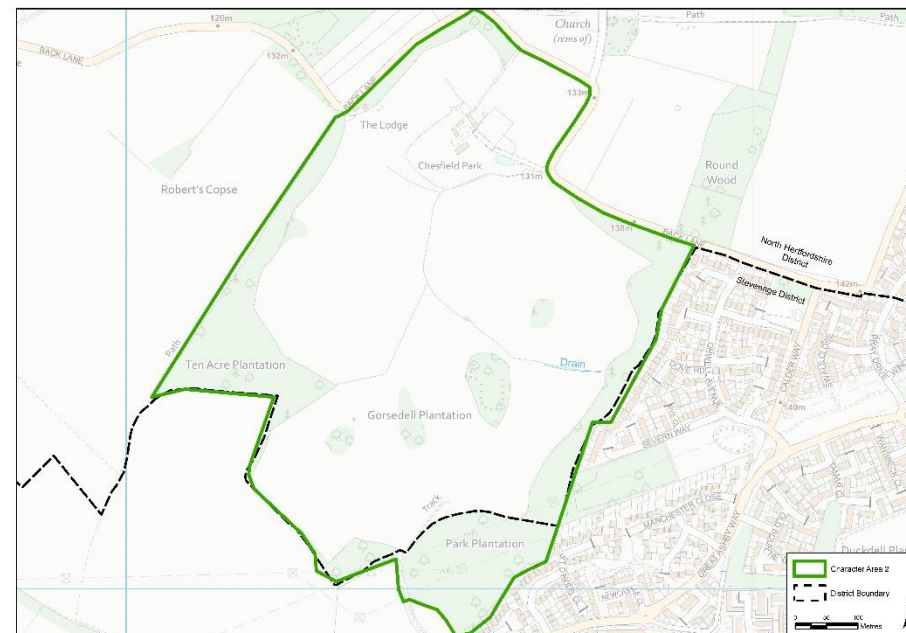


Figure 29: Map showing Character Area Two shaded in blue

Layout and Land Usage

Chesfield Park comprises elements of a designed landscape, fields and meadows, and pockets of dense woodland (Figure 30). The land use is predominantly pastoral and is in private ownership.

Landscaping and Open Spaces

The woodland that surrounds the Chesfield area provides a physical barrier, between the parkland and the agrarian fields beyond, which helps retain the individual character of the parkland. The landscaped park can be seen from limited areas, as public access is restricted. However, overall, the open spaces of the area make a significant contribution to its character and its significance is not hindered by a lack of public access.

Traditional and Local Building Materials

Red brick and clay plain tiles are the dominant materials in the Character Area with boundary treatments including hedgerows and low-lying timber fencing (Figure 31).

Non-traditional materials, such as UPVC windows, have been introduced to the Character Area as part of twentieth-century development; this is an incongruent feature within the area.



Figure 30: A view south from Back Lane across the landscaped parkland of Chesfield Park



Figure 31: Red-brick dwelling with clay plain tiles, bounded by hedgerow and timber post-and-rail fencing



Figure 32: Bridleway looking south with the enclosed park to the east

Public Realm

The majority of Character Area Two is in private ownership with the public realm being confined to the public Bridleway (Graveley 008). The Bridleway is bounded to the east by the woodland enclosing the park overlooks an open arable landscape to the west enhancing the isolated and enclosed character of the area (Figure 32).

Key Buildings

Non-designated

The garden boundary wall surrounding Chesfield Park House is likely to be contemporaneous with the earlier seventeenth-century building which was demolished in the 1950s when the existing house was partially rebuilt. The red brick wall and piers with decorative stone caps can be seen from Back Lane on the eastern approach into the Conservation Area (Figure 33).

Negative Contributors

Character Area Two has been intersected by electricity pylons, which are prominent in some views of the parkland, and make a negative contribution to the character of the area.



Figure 33: Garden boundary wall surrounding Chesfield Park House

3.3. Views

Key viewpoints within the proposed Chesfield Conservation Area are identified on Figure 34. The views included in this assessment are a selection of key views; this list is not exhaustive and there may be numerous other views of significance. Any proposals for development within the proposed Chesfield Conservation Area, or its environs, should consider these views and any others which may be relevant or highlighted as part of a bespoke assessment of that proposal.

Key views are largely those from which the designated and non-designated heritage assets can be appreciated within their rural environs, those out across the wider agrarian landscape, and those which enhance the sense of enclosure to the parkland.

View 1: This view allows for an appreciation of the non-designated garden wall surrounding Chesfield Park House, with the chimneystack of the house visible just above the treeline (Figure 35).

Views 2 and 3: Views of Chesfield Manor, including the farmhouse and ruined Church of St Etheldreda, can be seen from Back Lane. (Figure 36).

View 4: This view permits unobstructed views across arable fields bounded by woodland (Figure 36).

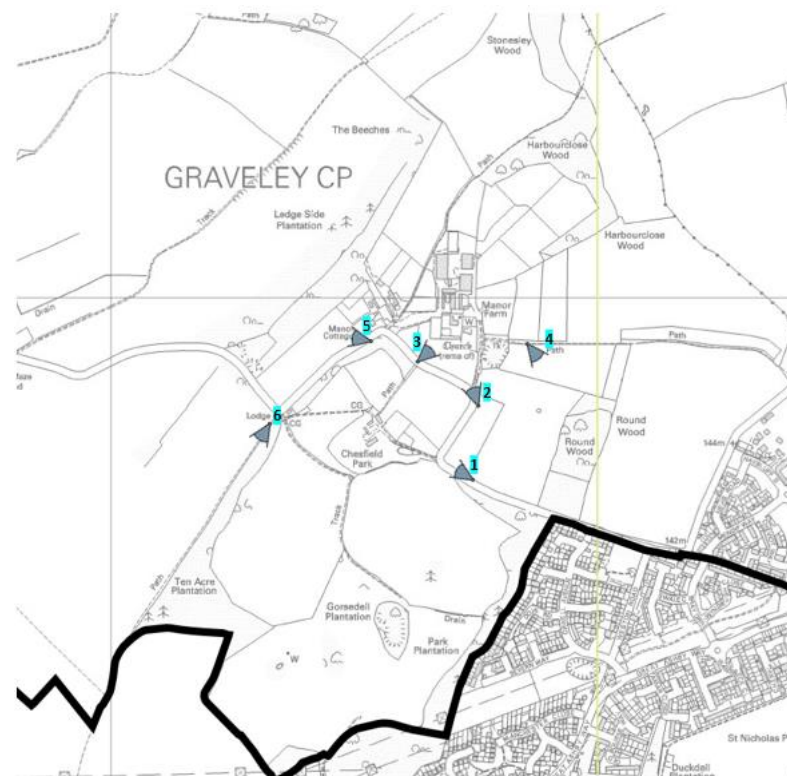


Figure 34: Map of key views within proposed Chesfield Conservation Area

View 5: This view also permits an important view across arable fields bounded by woodland (Figure 36).

View 6: This is an important view that allows for an appreciation of sense of enclosure of the parkland (Figure 32)



Figure 35: View 1



Figure 36: Clockwise from top left: View 2; View 3; View 4, View 5

3.4. Setting of the Conservation Area

The NPPF describes the setting of a heritage asset as:

The surroundings in which a heritage asset is experienced. Its extent is not fixed and may change as the asset and its surroundings evolve. Elements of a setting may make a positive or negative contribution to the significance of an asset, may affect the ability to appreciate that significance or may be neutral.

Historic England Good Practice Advice 3: Setting of Heritage Assets (2017) indicates that the setting of a heritage asset is the surroundings in which the asset is experienced. It goes on to note ‘Where that experience is capable of being affected by a proposed development (in any way) then the proposed development can be said to affect the setting of that asset’.²

Historic England provides detailed guidance on the setting of heritage assets, stating that all heritage assets have a setting, whether they are designated or not, irrespective of the form in which they survive. In the analysis of setting, the important contribution of views to the significance of heritage assets and the ability to appreciate that significance is often a primary consideration. Yet the contribution a setting makes to the significance of a heritage asset, such as the proposed Chesfield Conservation Area, is not limited to views alone. Setting is also influenced by other environmental factors such as noise, dust and vibration from other land uses. The detrimental alteration of

the character of a setting may reduce our ability to understand the historic relationship between places. The contribution that setting makes to the significance of the heritage asset does not depend on there being public rights or an ability to access, view or experience that setting.³ Therefore, any application for development within the setting of a heritage asset is subject to constraints.

The NPPF states that for any development within the setting of a heritage asset, a thorough assessment of the impact on the setting is required. This should be proportionate to the significance of the heritage asset under consideration and the degree to which proposed changes enhance or detract from that significance and the ability to appreciate it (NPPF, paragraph 194).

In addition, paragraph 206 of the NPPF states that local planning authorities should look for opportunities for new development within Conservation Areas and within the setting of heritage assets (including the setting of Conservation Areas), to enhance or better reveal their significance. Proposals that preserve those elements of the setting that make a positive contribution to the asset (or which better reveal its significance) should be treated favourably. Therefore, the favourable treatment of proposals that retain the open, agrarian character of the proposed Conservation Area’s setting is an important consideration.

When assessing an application for development which may affect the setting of a heritage asset, local planning authorities should also consider the implications of cumulative change and incremental harm.

² Historic England. 2017 *The Setting of Heritage Assets Historic Environment Good Practice Advice in Planning Note 3* (Second Edition)

³ *Ibid.*

New developments and changes can not only detract from a heritage asset's significance in the short-term but may also damage its significance and economic viability now, or in the future, thereby threatening its on-going conservation.

Surrounding Landscape

The proposed Chesfield Conservation Area draws significance from the surrounding open, largely undeveloped, rural landscape. The proposed Conservation Area's setting within a historically agrarian landscape permits an understanding and appreciation of historic development of Chesfield, as an isolated rural manor and settlement.

The quality of the well-preserved surrounding rural landscape therefore makes an important contribution to the historic setting and significance of the proposed Chesfield Conservation Area (Figure 37).

The uninterrupted view across open fields and meadows towards Graveley is particularly important given that historically Chesfield and Graveley have been related so closely in manorial and ecclesiastical affairs (Figure 37).

The approach towards Chesfield from the north, west, and south is characterised by open fields bounded by woodland. The eastern approach into is characterised by a tree-lined throughfare with glimpses of modern residential development to the south.



Figure 37: The view looking northeast from outside the area towards Chesfield Park. The extensive arable field in the foreground forms the setting of Chesfield, which lies beyond the treeline

4. Opportunities for Enhancement

4.1. Maintenance

Maintenance, and the lack of it, can detract from the quality of the proposed Conservation Area. In general, Chesfield is well maintained however the risk of decay is most common on privately owned land, and there is scope for better engagement with landowners to maintain and improve the appearance of properties and landscapes. Regular maintenance, including painting, cleaning and the clearance of vegetation should be promoted as a key component of preserving the quality of the Conservation Area.

4.2. Neutral Contributors

A small number of buildings are considered to make a neutral contribution to the character and appearance of the proposed Conservation Area. The buildings that fall within the category still contribute to the area's character and appearance, and their contribution should not be considered negative. The majority of these buildings have the potential to make a positive contribution to the area's

character but due to the introduction of non-traditional materials and features are considered neutral. Small scale improvements such as the replacement of non-traditional roof covering and windows with more appropriate materials would enhance these buildings, potentially allowing their positive contribution to be realised.

4.3. Public Realm

Although limited, the signposts indicating the public footpaths and bridleways are a notable feature. Some have moved from their upright positions and bowed over time and should be repaired and maintained to ensure the overall sense of a well-managed public realm.

4.4. Trees and Planting

Appropriate levels of maintenance need to be ensured and, where required, opportunities for enhancement sought to maintain and manage the trees within the proposed Conservation Area.

5. Management Proposals

5.1. Positive Management

There are a wide range of issues facing conservation areas, some of which are relevant to Chesfield. This chapter aims to recommend management proposals which addresses these issues in both the short and the long term.

General Maintenance: Public Realm

Through the agreement of a standard good practice within the proposed Conservation Area between relevant Local Authority teams, short-term goals can be set to ensure the repair or, where appropriate, the replacement of the existing fences, streetlamps and signposts.

Heritage Statements, Heritage Impact Assessments and Archaeological Assessments

In accordance with the NPPF (Paragraph 194), applicants must describe the significance of any heritage assets affected, including any contribution made by their setting. The level of detail should be proportionate to the assets' importance and no more than is sufficient to understand the potential impact of the proposal on their significance.

North Herts Council's requirements are as follows.

Heritage statements must be provided if the development affects a listed building.

Design and Access statements need to be provided for:

- Major development
- One of more new houses within a conservation area
- Applications where floorspace created is more than 100m² and any part of the development is within a Conservation Area or Area of Outstanding Natural Beauty.

Applications within the Conservation Area and immediate setting require an appropriately detailed Heritage Statement.

The key views analysed within this document are in no way exhaustive. The impact of any addition, alteration or removal of buildings, structures, trees or highways on key views should be considered to aid decision making. This includes development outside the proposed Conservation Area. Where appropriate, views must be considered within Design and Access or Heritage Statements. This should be in accordance with *Historic England's Good Practice Advice in Planning Note 3: The Setting of Heritage Assets* (2017). Applications which fail to have assessed any impact upon views and setting should not be validated.

Local Heritage List

A Local List identifies buildings and structures of local architectural and/or historic interest, and these are considered to be 'non-designated heritage assets' under the provisions of the NPPF. A Local List may be beneficial to ensure the upkeep of buildings which are significant to the history and character of Chesfield. The exercise would also facilitate a greater understanding of the area and could be utilised as a public engagement strategy to improve awareness and understanding. The

garden boundary wall surrounding Chesfield Park House is of sufficient quality to be considered for local list status, as highlighted in Section 2.6.

Neutral Elements

There are some twentieth century buildings which make a neutral or negative impact on the character of the proposed Conservation Area. There is scope to enhance these sites and buildings through a considered design approach which can guide future improvements. Should opportunities for redevelopment arise in the future, high quality design should be pursued and encouraged through design guidance.

New Development

There are limited opportunities within Chesfield and its setting for development which makes a positive contribution to the proposed Conservation Area. To be successful, any future development needs to be mindful of the local character and distinctiveness of the proposed Conservation Area and its setting, while at the same time addressing contemporary issues such as sustainability.

Successful new development will:

- Relate to the geography, topography and history of the place;
- Sit sympathetically in the pattern of existing development and routes through and around it (including public footpaths);
- Respect important views;

- Respect the scale of neighbouring buildings; and
- Use traditional materials and building methods which are as high in quality of those used in existing buildings.

North Herts Council should guide development in a positive manner by:

- Engaging with developers at an early stage through the Pre-Application Process to ensure modern development is high quality in design, detail and materials.
- Ensuring large scale development schemes within the Proposed Conservation Area and its setting are referred to a Design Review Panel (or similar) to ensure that new buildings, additions and alterations are designed to be in sympathy with the established character of the area. The choice of materials and the detailed design of building features are important in making sure its appropriate to a conservation area; and
- Seeking opportunities for developed to make a positive contribution to the wider historic environment through Section 106 Agreements.

Public resources

The preservation and enhancement of private properties can be improved through the publishing of resources aimed to inform property owners and members of the public. An introductory summary of the Conservation Area Appraisal in the form of a leaflet or factsheet(s) is a simple way to communicate the significance of the area and ensure members of the public are aware of the implications of owning a

property within a conservation area. In addition, a maintenance guide would assist property owners in caring for their property in an appropriate manner. Poor maintenance leads to the deterioration of the fabric of the built environment and the loss of architectural details. Improved awareness of simple maintenance and repair would be conducive with the preservation of Chesfield's built heritage.

Tree Management

In line with the Town and Country Planning Act, all trees in conservation areas are afforded the same protection as a Tree Preservation Order. Trees which have a trunk diameter of more than 75mm, at a height of 1.5m from the ground, may not be felled or lopped unless six weeks written notice has been given to the Council. Six weeks' notice has to be given to the council under S211 of the Act.

It is also considered that any prominent trees, street trees, and trees with amenity value on private land throughout the proposed Conservation Area should be monitored and maintained appropriately. This will ensure the symmetry along tree lined streets and visual rhythm, as well as maintain the green character of the area. Any tree that makes a positive contribution to the area should be retained, maintained and, if felled (only if dead, dying or dangerous) replaced with an appropriate new tree.

Character Appraisal and Management Plan

The Conservation Area Appraisal and Management Plan should be reviewed from time to time to monitor change and inform management proposals.

Conservation Area Boundary

The proposed Conservation Area boundary has been identified within this appraisal in accordance with the NPPF (2021) and Historic England Advice Note 1: Conservation Area Appraisal, Designation and Management (2018).

The boundary should be assessed as part of future reviews of the Management Plan to ensure it is robust and adequately protects the significance of the area.

5.2. Funding Opportunities

National Heritage Lottery Fund

The National Heritage Lottery Fund is the single largest dedicated funder of heritage in the UK and therefore is the most obvious potential source of funding. Funding is often targeted at schemes which preserve, enhance and better reveal the special interest of the area whilst also improving public awareness and understanding. Grant opportunities and requirements change overtime, for up-to-date information on NHLF schemes North Herts Council should consult their appointed Heritage Specialist.

Section 106 Agreements

Planning obligations, also known as Section 106 agreements, can be used by the local authority to ensure any future development has a positive impact upon the proposed Conservation Area. These agreements could be used to fund public realm or site-specific improvements.

Partnership Schemes in Conservation Areas (Historic England)

Partnership Schemes in Conservation Areas is a programme run by Historic England to target funding for the preservation and enhancement of conservation areas. As the name suggests, the scheme forms partnerships with local authorities (along with any additional funding partners) to facilitate the regeneration of an area through the conservation of its built heritage. The scheme makes funds available to individuals to enable them to carry out repairs or

improvement works to their property to enhance the area. This would be suitable to preserve and enhance the architectural detailing throughout the proposed Conservation Area.

6. Appendices

6.1. Heritage Assets

Designated Heritage Assets

List Entry Number	Name of Heritage Asset	Grade
1102564	<u>Church of St Etheldreda</u>	II*
1102563	<u>Manor Farmhouse</u>	II
1347400	<u>Boundary Wall and Gate Piers to Garden on South West and West of Manor Farmhouse</u>	II
1003542	<u>Chesfield Church</u>	N/A

6.2. Bibliography

Publications

Cocroft, W D 1990 Medieval Settlement Research Group: Annual Report 5

Historic England. *Conservation Area Appraisal, Designation and Management*. Advice Note 1 (Second Edition)

Historic England *The Setting of Heritage Assets*. Historic Environment Good Practice Advice in Planning: 3 (Second Edition)

Semmelmann, K. 2004 Manor Farm Barn, Chesfield: historic building record, Report No 240, The Heritage Network

Roberts, Harold A. 1952 Chesfield Near Stevenage: The History of an Ancient Parish

Turner C. 1997 Outdoor Riding Arena, Manor Farm, Chesfield, Herts: archaeological observation report

Websites

British History Online. Parishes: Graveley Pages 85-90 A History of the County of Hertford: Volume 3. Originally published by Victoria County History, London, 1912 <https://www.british-history.ac.uk/vch/herts/vol3/pp85-90> (accessed 2 August 2022)

6.3. Hertfordshire Historic Environment Record Results Within the Study Area

HER	Site	Type	Monument	Summary	Date
35	Ruins of Church of St Etheldreda	Building	Church	Ruins of medieval parish church.	Medieval
1004	Post-medieval farmstead earthworks	Monument	Farmstead	Earthwork remains of a farmstead demolished in the 19th century.	Post-medieval
2895	Chesfield Manor House	Building	Farmhouse, Manor House	Late 17th century manor house of unusual form, which became a farmhouse in the late 18th century.	Post-medieval
342	Chesfield Manor Farm	Building	Farmstead, Model Farm	Farmstead with 19th century planned layout, associated with earlier manor house.	Post-medieval
9567	Chesfield Park	Landscape	Country House, Landscape Park, Pump	Post-medieval country house replaced in 1950; in its original park.	Post-medieval
9801	Cultivation Terraces, Side Plantation Ledge	Monument	Lynchet	Earthworks of cultivation terraces within woodland.	Unknown
11399 <i>note: outside proposed</i>	Roman Coins	Find Spot	Findspot	1st century and later Roman coins.	Roman

<i>conservation area</i>					
12655 <i>note: outside proposed conservation area</i>	Probable late Iron Age features	Monument		A small pit and possible post hole and a gully slightly to the east were found in evaluation.	Late Iron Age
16655 <i>note: outside proposed conservation area</i>	Late Bronze Age/Early Iron Age ditch	Monument	Ditch	Small ditch containing flint-tempered pottery	Late Bronze Age/Early Iron Age
16656 <i>note: outside proposed conservation area</i>	Middle Iron Age pits	Monument	Pit, Post Hole	Pit and post hole containing probably middle Iron Age pottery	Middle Iron Age

6.4. Legislation, Policy and Guidance

LEGISLATION/POLICY/GUIDANCE	DOCUMENT	SECTION/POLICY
Primary Legislation	Planning (Listed Buildings and Conservation Areas) Act 1990	66: General duty as respects listed buildings in exercise of planning functions. 72: General duty as respects conservation areas in exercise of planning functions.
National Planning Policy	National Planning Policy Framework (2021) DCLG	Section 16; Annex 2
National Guidance	National Planning Practice Guidance (2014) DCLG	ID: 18a
National Guidance	Historic England (2017) Good Practice Advice in Planning Note 3 (Second Edition): The Setting of Heritage Assets	
National Guidance	Historic England. Conservation Area Appraisal, Designation and Management. Advice	

Note 1 (Second Edition) February 2019	
National Guidance	English Heritage (2019) Conservation Principles, Policies and Guidance
North Hertfordshire District Council Local Plan 2011 - 2031	Policy SP13: Historic environment Policy HE1: Designated heritage assets Policy HE2: Heritage at risk Policy HE3: Local heritage. Policy HE4: Archaeology Section 4 Communities: Graveley and North of Stevenage (Page 155) Policy SP16: Site NS1 – North of Stevenage

6.5. Glossary

Term	Description
Archaeological interest	There will be archaeological interest in a heritage asset if it holds, or potentially may hold, evidence of past human activity worthy of expert investigation at some point. Heritage assets with archaeological interest are the primary source of evidence about the substance and evolution of places, and of the people and cultures that made them.
Conservation (for heritage policy)	The process of maintaining and managing change to a heritage asset in a way that sustains and, where appropriate, enhances its significance.
Designated heritage asset	A World Heritage Site, Scheduled Monument, Listed Building, Protected Wreck Site, Registered Park and Garden, Registered Battlefield or Conservation Area designated under the relevant legislation.
Heritage asset	A building, monument, site, place, area or landscape identified as having a degree of significance meriting consideration in planning decisions, because of its heritage interest. Heritage asset includes designated heritage assets and assets identified by the local planning authority (including local listing).
Historic environment	All aspects of the environment resulting from the interaction between people and places through time, including all surviving physical remains of past human activity, whether visible, buried or submerged, and landscaped and planted or managed flora.
Historic environment record	Information services that seek to provide access to comprehensive and dynamic resources relating to the historic environment of a defined geographic area for public benefit and use.
Lynchets	A ridge or ledge formed along the downhill side of a plot by ploughing in ancient times.

Setting of a heritage asset	The surroundings in which a heritage asset is experienced. Its extent is not fixed and may change as the asset and its surroundings evolve. Elements of a setting may make a positive or negative contribution to the significance of an asset, may affect the ability to appreciate that significance or may be neutral.
Significance (for heritage policy)	The value of a heritage asset to this and future generations because of its heritage interest. That interest may be archaeological, architectural, artistic or historic. Significance derives not only from a heritage asset's physical presence, but also from its setting.

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Cabinet
13 September 2022

***PART 1 – PUBLIC DOCUMENT**

**TITLE OF REPORT: MAKING OF AN ARTICLE 4 DIRECTION FOR THE DISTRICT'S
PRIMARY AND SECONDARY SHOPPING FRONTAGES**

REPORT OF: IAN FULLSTONE, SERVICE DIRECTOR - REGULATORY

EXECUTIVE MEMBER: CLLR. RUTH BROWN, EXECUTIVE MEMBER FOR PLANNING AND
TRANSPORT

COUNCIL PRIORITY: SUSTAINABILITY

1. EXECUTIVE SUMMARY

New permitted development rights allow for a range of employment premises¹ to be converted into residential use without requiring planning permission by the District Council. This report seeks Cabinet approval to introduce immediate Article 4 Directions to remove this permitted development right in the District's town centres.

This will help strengthen the vitality and viability of our town centres after the COVID-19 Pandemic and protect them from unrestrained residential redevelopment.

2. RECOMMENDATIONS

- 2.1. That Cabinet endorse the overall approach to Article 4 Directions set out in the report.
- 2.2. That Cabinet approve the making of immediate Article 4 Directions for non-listed buildings located within each of the District's town centre's defined primary and secondary shopping frontages (as detailed in Appendix A).
- 2.3. That each of the immediate Article 4 Directions shall come into force immediately on the day they are served (October 3 2022) and consultation shall take place for a period of 6 weeks beginning on October 10 2022.

¹

- E(a) Display or retail sale of goods, other than hot food
- E(b) Sale of food and drink for consumption (mostly) on the premises
- E(c) Provision of:
 - E(c)(i) Financial services,
 - E(c)(ii) Professional services (other than health or medical services), or
 - E(c)(iii) Other appropriate services in a commercial, business or service locality
- E(d) Indoor sport, recreation or fitness (not involving motorised vehicles or firearms or use as a swimming pool or skating rink,)
- E(e) Provision of medical or health services (except the use of premises attached to the residence of the consultant or practitioner)
- E(f) Creche, day nursery or day centre (not including a residential use)
- E(g) Uses which can be carried out in a residential area without detriment to its amenity:
 - E(g)(i) Offices to carry out any operational or administrative functions,
 - E(g)(ii) Research and development of products or processes
 - E(g)(iii) Industrial processes

- | |
|---|
| 2.4. That delegated powers should be granted to the Service Director – Regulatory in consultation with the Portfolio Holder for Planning, Enterprise and Transport to confirm the immediate Article 4 Directions following consultation subject to no, or only minor, amendments being necessary. |
|---|

3. REASONS FOR RECOMMENDATIONS

- 3.1. The new Article 4 Directions relate to change of use from Use Class E (commercial, business and services) to Use Class C3 (dwellinghouses).
- 3.2. Commercial, business and services in town centres are important as they provide residents with access to important goods and services whilst minimising the need to travel. To safeguard main town centre use² floorspace, the Council has designated primary and secondary shopping frontages within the District's four town centres and established policies to encourage growth and prevent loss of these uses.
- 3.3. The making of the Article 4 Directions will support an overarching principle of the emerging Local Plan which seeks to ensure that there is a suitable balance between increased housing development and economic facilities to ensure sustainable development is achieved. The Article 4 Directions will prevent small-scale losses of main town centre use floorspace through change of use schemes to residential under permitted development.
- 3.4. The Council would apply the Directions to the non-listed buildings located within the primary and secondary shopping frontages as defined by Policy ETC4 and ETC5 in the new Local Plan (as proposed to be modified). By withdrawing this permitted development right (PDR) it means any Use Class E to residential conversions in areas where the Directions are made will require planning permission. This will allow Planning Officers to assess applications against national policy (NPPF) and our emerging Local Plan policies to ensure there is a suitable provision of shops, services and facilities within the town centres.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. A 'do nothing' approach which does not restrict existing permitted development.
 - a. This is not recommended due to the potential implications for the loss of commercial, business and service units in the town centres, the overall strategy and status of the emerging new Local Plan.
- 4.2. Making non-immediate Article 4 Directions with a different timescale.
 - a. This would achieve the same outcomes as above, but on a longer timescale.
 - b. A consultation is required before the making of the Directions and would also require a notice period before the Article 4 Directions come into force.
 - c. There is a risk that by following the non-immediate Article 4 Direction process, it would raise the profile of the new permitted development right and, within the

² Retail development (including warehouse clubs and factory outlet centres); leisure, entertainment and more intensive sport and recreation uses (including cinemas, restaurants, drive-through restaurants, bars and pubs, nightclubs, casinos, health and fitness centres, indoor bowling centres and bingo halls); offices; and arts, culture and tourism development (including theatres, museums, galleries and concert halls, hotels and conference facilities)

timescales of making the Direction, we could see an increase in the number of Use Class E to C3 conversions.

- 4.3. An (immediate or non-immediate) Article 4 Direction with a different scope.
 - a. This approach is not recommended for the reasons set out in this report.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1. The Executive Member for Planning, Enterprise and Transport has been kept informed on the matters set out in this report.
- 5.2. Council officers have spoken with Royston First Bid, Hitchin Bid and the Letchworth Garden City Heritage Foundation (as freeholder of many commercial areas in Letchworth), with both offering initial support to the concept of Article 4 Directions as outlined above.
- 5.3. Subject to Cabinet approval, the Article 4 Directions would be subject to advertisement and consultation as set out in Section 8 of this report.

6. FORWARD PLAN

- 6.1 This report contains a recommendation on a key Executive decision that was first notified to the public in the Forward Plan on the 5 August 2022.

7. BACKGROUND

Permitted Development

- 7.1 The Town and Country Planning (General Permitted Development) Order 2015 (as amended) (known as the GDPO) grants planning permission to a number of different types of development, known as permitted development rights (PDR). This means that instead of acquiring planning permission through local planning authorities, permission in effect is granted by the Secretary of State by Order.
- 7.2 Historically, most permitted development related to (for example) small-scale alterations that householders could make to their homes and gardens or operational development by statutory undertakers. In recent years, the Government has expanded PDR to cover a wider range of uses, including redevelopment that would result in new homes being developed.
- 7.3 Whilst planning permission is not required for development that falls within the scope of GDPO, some development is required to seek prior approval from the District Council. This is a more simplistic approach because instead of assessing applications against national and local policies, developments are assessed against a streamlined set of issues such as design and appearance, transport impacts and flood risk.

Current Article 4 Directions

- 7.4 There are two existing Article 4 Directions in place for Hitchin and Knebworth. These still exist and are not affected or being changed by this report. Guidance on these Article 4 Directions can be found at: [Article 4 Directions | North Herts Council \(north-herts.gov.uk\)](https://www.north-herts.gov.uk/article-4-directions)

Expired Article 4 Direction

- 7.5 In response to previous PDR, Cabinet approved the making of one non-immediate Article 4 Direction to cover all the key employment sites identified in the Local Plan in January 2019. This Direction removed the PDR for changes of use from office (previous Use Class B1a) and light industrial (previously Use Class B1c) to Use Class C3 (residential).
- 7.6 The Article 4 Direction was confirmed on 28 February 2020 and formally made on 20 June 2020. This blanket Article 4 Direction covered the following areas:
- Bondor Business Centre, Baldock (BE1)
 - Royston Road, Baldock (BA10 and BE2)
 - Wilbury Way, Hitchin (HE1)
 - Burymead Road, Hitchin (HE2)
 - Station Approach, Hitchin (HE3)
 - Land adjacent to Priory Park, Hitchin (HE4)
 - Works Road, Letchworth Garden City (LE1)
 - Blackhorse Road, Letchworth Garden City (LE2)
 - Icknield Way, Letchworth Garden City (LE3)
 - Spirella, Letchworth Garden City (LE4)
 - Orchard Road, Royston (RE1)
 - Land north of York Way, Royston (RY9)
- 7.7 As a result of the new permitted development reforms, this Article 4 Direction expired in July 2022.

Changes to the Use Class Order

- 7.9 In September 2020, the government made changes to the Use Class Order which amalgamated the following uses into a new Use Class E:

Former Use Class	Type of Use	New Use
A1	Display or retail sale of goods, other than hot food	E(a)
A3	Sale of food and drink for consumption (mostly) on the premises	E(b)

A2	Financial services, Professional services (other than health or medical services), Other appropriate services in a commercial, business or service locality	E(c)(i) E(c)(ii) E(c)(iii)
D2	Indoor sport, recreation or fitness (not involving motorised vehicles or firearms)	E(d)
D1	Provision of medical or health services (except the use of premises attached to the residence of the consultant or practitioner)	E(e)
D1	Creche, day nursery or day centre (not including a residential use)	E(f)
B1a B1b B1c	Uses which can be carried out in a residential area without detriment to its amenity: Offices to carry out any operational or administrative functions, Research and development of products or processes industrial processes.	E(g) E(g)(i) E(g)(ii) E(g)(iii)

- 7.10 Changes within the same use class are not considered to be development. This means that any type of use that falls within the new Use Class E can change into another service that falls within category E without needing planning permission. The purpose of the change was to create more flexibility after the COVID-19 pandemic so that businesses can adjust and recover.

More recent reforms

- 7.11 In August 2021, further changes were made to the General Permitted Development Order 2015 (GPDO) which allowed the following changes to fall under PDR:
- Extensions of existing buildings by increasing their height by one to two storeys;
 - The demolition and reconstruction of unused or derelict office/industrial buildings; and
 - Change of Use Class E, the new Commercial, Business and Service Use Class (previously Class A and B) to Use Class C3, dwellinghouses.
- 7.12 The Government has introduced the Use Class E to C3 conversions PDR as a response to the COVID-19 pandemic, to increase flexibility and allow for the market demand to steer the types of different use classes in high streets and employment areas. The new PDR supersedes the previous PDR which allowed office and light industrial units to be

demolished and reconstructed into housing. This means that any existing Article 4 Directions that have been formally 'made' expired in July 2022.

- 7.13 Along with the new PDR, the Government has introduced a more rigorous prior approval regime which includes: transport impacts, access, contamination risks, flood risks, noise impacts, conservation areas, natural light and the impact of the surrounding area on the intended occupiers. Provided these conditions are met, prior approval will be granted. Under this regime, the Council cannot consider the broader principle of whether or not it is desirable to lose the affected building(s) from the wider employment stock. It is not possible to require the provision of affordable housing on such schemes.

Article 4 Directions

- 7.14 Councils have discretionary powers to implement Article 4 Directions to remove a PDR should they deem it appropriate. Article 4 Directions are the tool available to local planning authorities to respond to the particular needs of their areas. An Article 4 Direction does not prevent the development to which it applies, but instead requires that planning permission is first obtained from the local planning authority for that development. This allows for consideration of the broader issues outlined in this report, along with any other relevant factors.
- 7.15 The Council has the power to modify or cancel an Article 4 Direction it has made at a future date. This allows for the Council to monitor the relevance and effectiveness of any Directions in its area. Therefore, it is considered suitable to adopt four separate Article 4 Directions to allow for future modifications. If future planning requirements were to change it would be possible to remove or change any planning restrictions imposed as a result of this report.

8. RELEVANT CONSIDERATIONS

- 8.1 Paragraph 53 of the National Planning Policy Framework (NPPF) 2021 states that the use of Article 4 Directions to remove PDR must be "necessary to avoid wholly unacceptable adverse impacts" to "protect local amenity or the wellbeing of the area" and must "be based on robust evidence and apply to the smallest geographical area possible."
- 8.2 Article 4(1) of the Town and Country Planning (General Permitted Development) (England) Order 2015 itself states the Council when making a Direction must be satisfied that it is expedient that development that would normally benefit from permitted development rights should not be carried out unless permission is granted for it on an application.

Overall justification for use of an Article 4 Direction

- 8.3 The emerging Local Plan identifies sufficient sites to ensure the District's housing needs are met in full. Therefore, there is no specific need to rely upon any additional housing from Use Class E conversions which would result in the loss of Use Class E floorspace.
- 8.4 The Local Plan recognises the importance of providing sufficient provision of employment floorspace to accommodate the projected levels of housing proposed in the

District and wider market areas. This includes making provision for employment needs associated with Stevenage.

- 8.5 The four town centres provide most of the District's retail, commercial and leisure floorspace. Evidence for the emerging Local Plan identifies that there is a need for additional 4,500 sq.m of retail, commercial and leisure floorspace in the District over the period to 2031³. Therefore, it is important that existing main town centre uses are safeguarded to ensure a suitable balance between housing and employment.
- 8.6 Emerging Policy ETC4 and ETC5 of the Local Plan seek to safeguard main town centre uses within the designated primary and secondary shopping frontages by generally only permitting shops at ground floor level within the primary shopping frontages and other main town centre uses within the secondary shopping frontages. Emerging Policy ETC7 will only grant planning permission for loss or change of use of any shops, services or facilities outside of the defined retail hierarchy.
- 8.7 Under the new PDR there is a risk that valuable Use E Class properties could convert into housing causing a loss of main town centre floorspace. The wider consequences of this is that there will be employment loss, reduction of shops and services, people would have to travel further for work or to use facilities and there will be unplanned dispersion of main town centre uses mixed with residential dwellings along the primary and secondary shopping frontages.
- 8.8 To protect the vitality and the viability of the District's town centres, an Article 4 Direction is proposed for each town centre. The Article 4 Directions will apply to the non-listed buildings located within the primary and secondary shopping frontages (see appendix A). Listed Buildings are not included within the scope of the Article 4 Directions because the PDR (PDR) which allows Use Class E to Use Class C3 conversions does not apply to Listed Buildings.
- 8.9 It is considered that this approach satisfies the requirements of Government (NPPF 2021) of applying the Article 4 Direction to the smallest geographical area, instead of applying a "blanket" Direction across the whole of the town centre.
- 8.10 Each of our town centres are designated Conservation Areas to a greater or lesser extent; and the prior approval regime does give consideration to the impact on Conservation Areas. However, it is felt that if there are minor adjustments to the external appearance of the unit, it would be difficult to refuse the application on this merit alone. Therefore, there is little mechanics to prevent loss of non-listed commercial and business and service units in town centres.
- 8.11 The making of the Article 4 Directions will support Part 8 of paragraph 151 of the proposed Levelling-up and Regeneration Bill (as introduced) which seeks to rejuvenate town centres and enable high streets to thrive. The Article 4 Directions would seek to strengthen the role of the high street in town centres in North Hertfordshire by increasing the viability and vitality of it as an economic hub. By making the Article 4 Directions it does not ban Use Class E conversions into housing, but instead requires planning permission from the District Council. This allows Planning Officers to assess planning applications against national policy (NPPF) and our emerging Local Plan policies to

³ Town Centre and Retail Study (NLP, 2016)

ensure there is a suitable provision of shops, services and facilities within the town centres.

- 8.12 When comparing the risk of loss of Use Class E floorspace in our designated Employment Areas and town centres, it is felt that town centres are at a greater risk. The more rigorous prior approval process now provides greater scope to prevent Use Class E conversions in our Employment Areas based upon impacts on living conditions and other considerations. For this reason, officers' view is there is no need to replace the expired Article 4 direction for employment areas with a new equivalent. However, for town centre locations there is a risk that Planning Officers will not be able to refuse applications as town centres are considered more suitable/sustainable location for housing.
- 8.13 For Hitchin, Baldock and Royston the majority of the buildings are listed and therefore only a select few would need the Article 4 Direction. It is officer's view that although the majority of the buildings are listed within the primary and secondary shopping frontages of Hitchin, Baldock and Royston, the non-listed buildings should be included within the making of the Article 4 Directions to prevent dispersion of commercial buildings along the main town centre frontages. This approach would comply with the national requirements of Article 4 Directions applying to the smallest geographical area.
- 8.14 Occupiers in Letchworth Garden City would require consent from the Letchworth Heritage Foundations (as the freeholder for all units in the town centre). This could provide protection against residential conversions of shop units. However, this is a separate regime to the planning system and, for consistency and continuity an Article 4 Direction should still be made for the non-listed buildings within the town's primary and secondary shopping frontage.
- 8.15 By making an Article 4 Direction to withdraw the PDR for each town it will ensure that we maintain a degree of planning control by assessing proposed development against our Local Plan.
- 8.16 North Hertfordshire's Town Centre Strategies are due to be updated as well as the (proposed) early review of the new Local Plan. To assess the District's town centres we want to be able to apply a holistic approach and not be undermined by uncontrolled 'picking off' of individual units. The proposed Article 4 Directions would ensure that the new PDR would not undermine any future town centre policies or strategies.

Scope of the Article 4 Directions

- 8.17 It is recommended that the Article 4 Directions seek to revoke permitted development rights which allow Class E facilities to change to residential use.
- 8.18 It is further recommended that the Article 4 Directions are confined to the non-listed buildings located within the primary and secondary shopping frontages as identified in the emerging Local Plan and shown in Appendix A. The PDR does not apply to listed buildings. This approach has regard to:
- The fact that these are recognised in the emerging Plan as the key locations for existing and future employment in the District;
 - The requirements of Article 4 Directions listed under paragraph 53 of the NPPF (2021):
 - Where they relate to change from non-residential use to residential use, be limited to situations where an Article 4 Direction is necessary to avoid wholly unacceptable adverse impacts (this could include the loss of the

- essential core of a primary shopping area which would seriously undermine its vitality and viability, but would be very unlikely to extend to the whole of a town centre);
 - In other cases, be limited to situations where an Article 4 Direction is necessary to protect local amenity or the well-being of the area (this could include the use of Article 4 Directions to require planning permission for the demolition of local facilities); and
 - In all cases, be based on robust evidence, and apply to the smallest geographical area possible
 - The potential costs and difficulties in appropriately notifying all business premises across the District in the event of an Article 4 Direction that would apply more widely; and
 - The potential for the Secretary of State to intervene if he considers the Article 4 Direction is not appropriate.
- 8.19 It is recommended that an immediate Article 4 Direction is made for each town. This means that PDR are removed with immediate effect and then consulted on. The Article 4(1) Directions will lapse after 6 months from when they are made unless they are confirmed beforehand. Any objections taken into account by the Council before it considers whether to confirm the Direction, or not. An immediate Article 4(1) Direction is used where there is an urgent, justified requirement for protection. Once confirmed, an immediate Article 4(1) Direction becomes permanent. The Article 4 Directions can be altered or cancelled at any time.
- 8.20 The risk of providing compensation cost is considered to be relatively low as the Article 4 Directions would only apply to a non-listed designated building within the primary and secondary shopping facilities while properties in Letchworth must also comply with Heritage Foundation regulations which would be unlikely to support inappropriate conversions.

9. LEGAL IMPLICATIONS

- 9.1 Article 4 of the Town and Country Planning (General Permitted Development) Order 2015 allows a local planning authority to make Article 4 Directions to remove PDR. This is an Executive Decision and not one reserved to Full Council.
- 9.2 Under the Terms of Reference for Cabinet Paragraph 5.6.18 of the Constitution states that the Cabinet should exercise the Council's functions as Local Planning Authority except where functions are reserved by law to the responsibility of the Council or delegated to the Service Director: Regulatory.
- 9.3 An Article 4 Direction does not prevent the development to which it applies, but instead requires that planning permission is first obtained from the Council for that development.
- 9.4 The procedure which must be followed in making, modifying or cancelling any direction made under article 4(1) are set out in Schedule 3 of the GDPO.
- 9.5 Prior to making Article 4 Directions, the Local Planning Authority must notify the owner/occupier who will be affected by the proposal. Following adequate response time by those affected, the Local Planning Authority should take into account the representations received and consider them when making their decision to confirm the Article 4 Directions. Consultation responses are not binding on decision makers but

need to be considered. Material changes to the Directions resulting from consultation will require re-consultation.

- 9.6 The Secretary of State must be notified of the making and confirmation of any Article 4 Direction and has the power to modifying or cancel such a Direction at any point.
- 9.7 Regulation 5 of The Town and Country Planning (Fees for Applications, Deemed Applications, Requests and Site Visits) (England)(Amendment) Regulations 2017 removed the exemption from planning fees that previously applied for applications required as the result of an Article 4 Direction.

10. FINANCIAL IMPLICATIONS

- 10.1. The making and consultation on the Article 4 Directions will be covered by the Council's existing budgets and resources. The consideration of Prior Approval applications under the current regime and the consideration of any planning applications arising following confirmation of any Article 4 Directions are covered by fee income and service budgets.

11. RISK IMPLICATIONS

- 11.1 The use of the immediate Article 4 Directions means there is a risk that the Council may have to pay compensation costs. This is because compensation, for certain withdrawn permitted development rights, may be claimed if an application for planning permission is submitted within 12 months following the effective date of the Direction.
- 11.2 However, this risk is considered to be low as there are a small amount of non-listed buildings within the primary and secondary shopping frontages which the Article 4 Directions would apply to. For Letchworth, any development to the town centres must also be approved by the Letchworth Heritage Foundation which would also lower the risk. These specified permitted development rights are currently set out in the Town and Country Planning (Compensation) (England) (Amendment) Regulations 2016 and include Class MA of Part 3 of Schedule 2 of the GPDO 2015.

12. EQUALITIES IMPLICATIONS

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2. There are not considered to be any direct equality issues arising from this report.

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. As per 8.4 and 8.5, there is a need to provide sufficient provision of employment floorspace to accommodate the projected levels of housing proposed by the Local Plan. It has already been identified that an additional 4,500 sq.m of retail, commercial and leisure floor space will be needed across the district over the period to 2031 to facilitate this. Introducing immediate Article 4 Directions will enable us to safeguard current provisions and prevent the need for even further development of such sites.
- 14.2 Furthermore, retaining a higher concentration of employment opportunities and retail in our town centres may also help reduce the need for residents to travel further afield by car or to multiple locations to access what they need.

15. HUMAN RESOURCE IMPLICATIONS

- 15.1 There are no human resource implications arising from the contents of this report.

16. APPENDICES

- 16.1 Appendix A – Maps indicating the properties which the Article 4 Directions are proposed to apply to.

17. CONTACT OFFICERS

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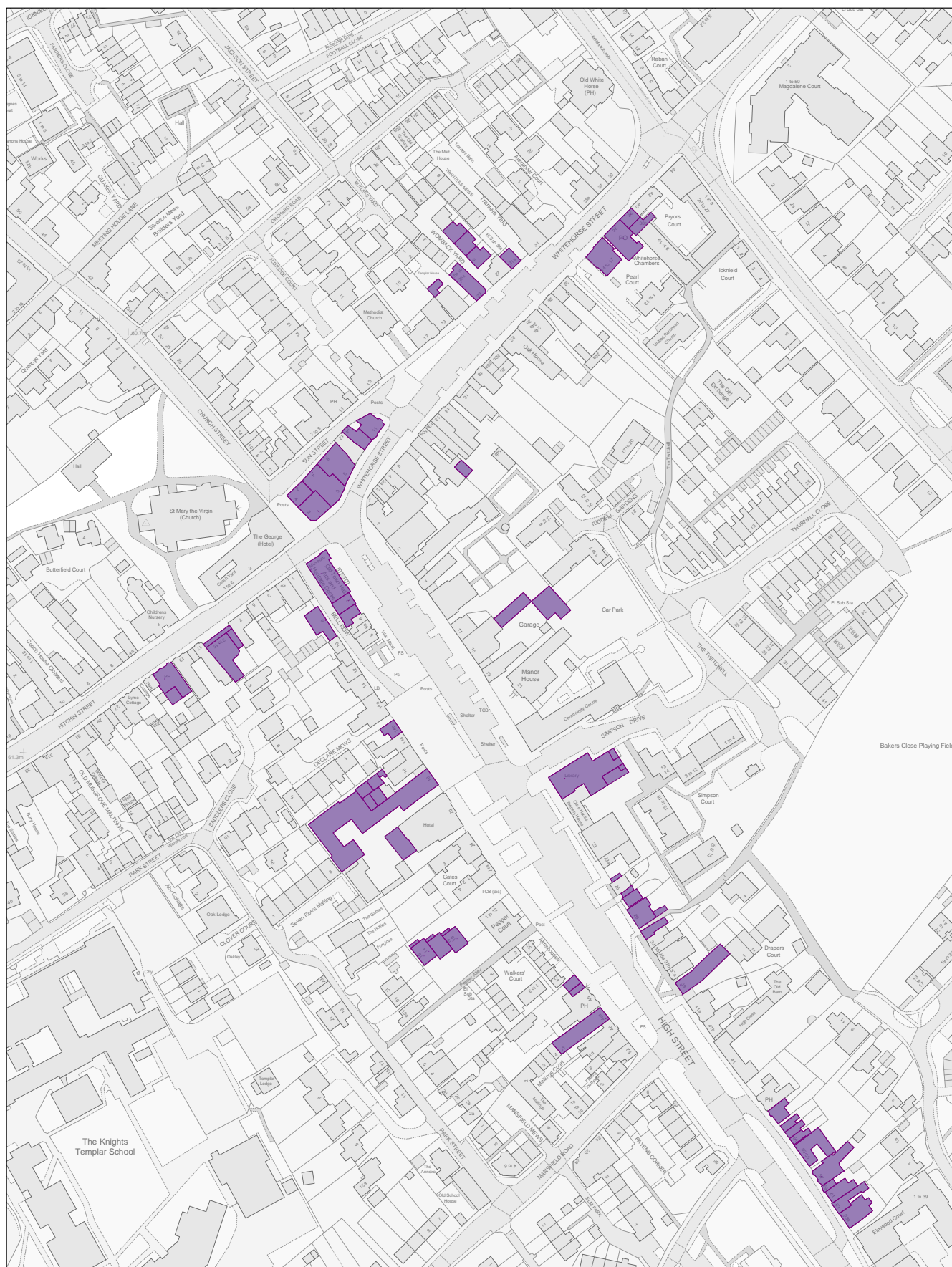
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18. BACKGROUND PAPERS

- 18.1 [The Town and Country Planning \(General Permitted Development\) \(England\) Order 2015](#)
- 18.2 [North Hertfordshire Local Plan 2011-2031 \(as proposed to be modified\)](#)
- 18.3 [2019 Cabinet Report for Article 4 Directions.](#)

Baldock - Article 4 Direction Properties



Scale: 1:2500
Date: 05:08:22

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Hitchin - Article 4 Direction Properties



Scale: 1:3800
Date: 05:08:22



Letchworth - Article 4 Direction Properties



Scale: 1:3200
Date: 05:08:22

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Royston - Article 4 Direction Properties



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**CABINET
13 SEPTEMBER 2022**

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: COUNCIL TAX REDUCTION SCHEME 2023/2024

REPORT OF: SERVICE DIRECTOR CUSTOMERS

EXECUTIVE MEMBER: EXECUTIVE MEMBER FOR FINANCE AND IT

COUNCIL PRIORITY: PEOPLE FIRST

1. EXECUTIVE SUMMARY

- 1.1 Each year the Council is required to review its Council Tax Reduction Scheme in accordance with the requirements of the schedule 1A of the Local Government Finance Act 1992 and to either maintain the scheme or replace it.
- 1.2 The purpose of this report is to provide an update on the progress that has been made so far on the full review of the Council Tax Reduction Scheme. The review is one of the Councils key projects for 2022/23 included in the Council Delivery Plan.

2. RECOMMENDATIONS

- 2.1 That Cabinet note that a full review of the Council Tax Reduction Scheme is well underway and that consultation with the public and Major Precepting Authorities will run for six weeks from 14 September 2022.
- 2.2 That Cabinet note the progress made so far on the review and that the intention is to introduce a new banded scheme for working age applicants from 01 April 2023.
- 2.3 That Cabinet note the aim of the review is to introduce a new scheme that will:
- enable us to increase the overall level of support for the lowest income households
 - reduce the administrative burden placed on the Council following the introduction of Universal Credit whilst also
 - make the scheme easier for our customers to understand and calculate entitlement.
- 2.4 That Cabinet note that modelling the new scheme may increase the costs from those of the current scheme, any increase will be split between the Council and its Major Precepting Authorities. The Councils share will be 12.5%.

3. REASONS FOR RECOMMENDATIONS

3.1. To ensure that the Council has a fit for purpose Council Tax Reduction Scheme that:

- Provides the greatest support to the lowest income households
- Reduces the administrative burden that has been placed on the Council since the introduction of Universal Credit (UC)
- Is simple to understand, meaning that customers will be able to calculate entitlement and assess the impact of potential changes in circumstances.

4. ALTERNATIVE OPTIONS CONSIDERED

4.1. Consideration has been given to a range of alternatives, listed below:

- a) Retain the current scheme as-is with no change in levels of support
- b) Retain the current scheme with increased levels of financial support
- c) To introduce 'fixed periods' or 'tolerances' to the current scheme
- d) To implement a simplified discount-based scheme for UC claimants only
- e) To implement a simplified discount-based scheme for all working age claimants

Options (a) to (d) have been discounted as they would not address all the issues with the current scheme.

Option (e) addresses all the issues and is the option that has been progressed for further data modelling.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

5.1 The Executive Member and Deputy Executive Member for Finance and IT have been consulted and are in support of the proposed changes to the scheme.

5.2 The public consultation is scheduled to run for six weeks from 14 September 2022 until 26 October 2022 and will be promoted via our website, social media channels and in the local press. We will promote the consultation on all emails sent from customer services and will promote via partners such as the Citizens Advice Bureau and settle and will also notify Parish Clerks of the consultation. Additionally, we will promote the consultation to residents subscribed to text alerts and through our NHC email bulletins.

5.3 A full consultation is being undertaken in line with the statutory requirement with:

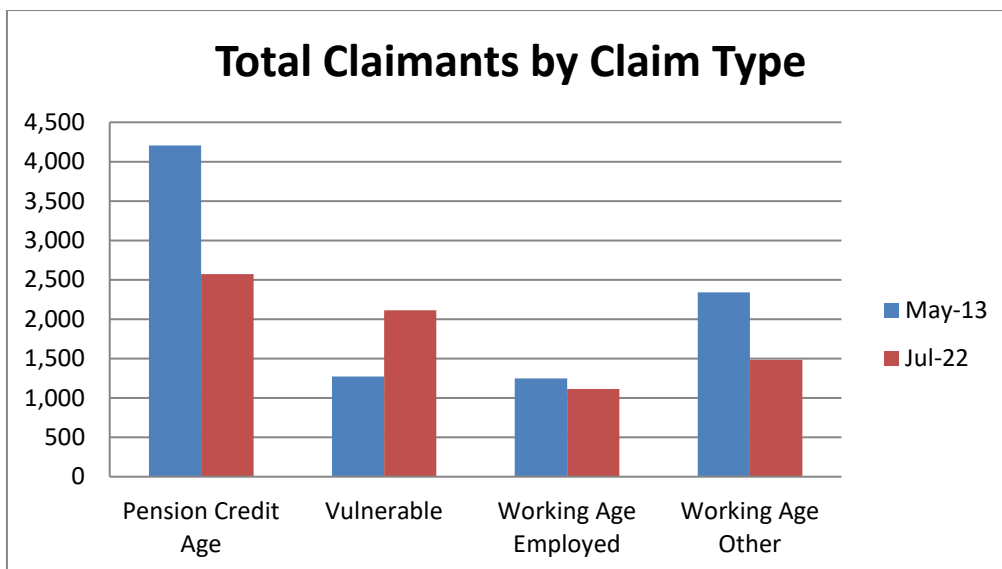
- The County Council (including Fire & Rescue)
- The Hertfordshire Police and Crime Commissioner
- The Public

6. FORWARD PLAN

- 6.1 Whilst this report is not seeking a recommendation on a key decision, a further report will be presented to Cabinet once the results from the consultation have been analysed, which will seek a recommendation on a key decision. Therefore, this report was first notified to the public in the Forward Plan on the 29 July 2022.

7. BACKGROUND

- 7.1 Council Tax Reduction (CTR) was introduced by Central Government in April 2013 as a replacement for the Council Tax Benefit scheme administered on behalf of the Department for Work and Pensions (DWP)
As part of the introduction, the Government;
- placed the duty to create a local scheme for **working age** applicants with billing authorities.
 - reduced initial funding by the equivalent of ten per cent from the levels paid through benefit subsidy to authorities under the previous Council Tax Benefit scheme; and
 - prescribed that anyone of **pension age** would be dealt with under regulations set by Central Government and not the authorities' local scheme.
- 7.2 Since that time, funding for the Council Tax Reduction Scheme has been amalgamated into other Central Government grants paid to Local Authorities and also within the Business Rates Retention regime. It is now generally accepted that it is not possible to identify the amount of funding actually provided from Central Government sources.
- 7.3 The current Council Tax Reduction Scheme administered by the Council is divided into two schemes, with pension age applicants receiving support under the rules prescribed by Central Government, and the scheme for working age applicants being determined solely by the local authority.
- 7.4 Pensioners, subject to their income, can receive up to 100 per cent support towards their Council Tax. The Council has no power to change the level of support provided to pensioners and therefore any changes to the level of Council Tax Reduction can only be made to the working age scheme
- 7.5 When Council Tax Reduction was introduced in 2013, for working age applicants, the Council broadly adopted the previous means tested Council Tax Benefit scheme as the basis of awarding support. Due to the reduction in funding from Central Government, the Council also required all working age applicants, even those on the lowest income, to pay an amount towards their Council Tax. This was achieved by applying a standard deduction from any award granted (with certain protected groups where the household would be considered disabled). The standard deduction is currently up to 25%.
- 7.6 Since its introduction, the working age scheme has only been amended slightly, primarily to adjust the standard deduction, to introduce a tolerance and to align it with Housing Benefit and Universal Credit where possible.
- 7.7 The chart below shows how the claimant numbers are made up.



8. RELEVANT CONSIDERATIONS

8.1 There are several issues with the current scheme that need addressing if the system is to continue to provide effective support to low-income taxpayers and if the Council is to be able to provide the service in an efficient manner. The main issues are as follows:

- the need to assist low-income households and assist in the collection of Council Tax.
- the introduction of Universal Credit for working age applicants; and
- the need for a simplification of the scheme.

These issues are examined in more detail throughout this section of the report.

8.2 The need to assist low-income households and assist in the collection of Council Tax

8.2.1 Since 2013 and the introduction of Council Tax Reduction, the majority of authorities, including the Council have required all working age applicants to pay a minimum payment. Under the previous scheme (Council Tax Benefit) almost 75% of working age applicants would not have been required to pay any Council Tax and would have received full (100%) support.

8.2.2 As with many authorities, there is a strong view that there should be an increase in the level of support to those households on the lowest of incomes. This view has gained momentum over the past few years but has been reinforced since the COVID-19 crisis which had a major impact on household incomes generally and more recently with the cost-of-living crisis.

8.2.3 Whilst the principle of all working age households paying 'something' was initially thought to be an approach that would be central to the design of Council Tax Reduction, the reality is that, since its introduction, low-income taxpayers, the poorest households, have been unable to pay the balance leading to additional costs, court and enforcement action and, in some cases, the amounts demanded have been written off as uncollectable.

- 8.2.4 The costs of administration of these cases by the Council has increased significantly over the years. These costs are borne solely by the Council. With the difficulties experienced, the relatively low level of payment and the high administration costs incurred, it no longer makes the amounts economically viable to collect. Notwithstanding the negative effects to those poorest households. The proposed scheme (set out in 8.5) would address these issues by an increase in entitlement to 100% for those on the lowest income.

8.3 Council Tax Reduction and the roll out of Universal Credit

- 8.3.1 The introduction of Universal Credit within the district has, as experienced in all other areas, brought a number of significant challenges to both the administration of Council Tax Reduction and also the collection of Council Tax generally. All Councils have experienced the following:

- the reluctance of Universal Credit claimants to make a prompt claim for Council Tax Reduction leading to a loss in entitlement.
- a high number of changes to UC cases received from the Department for Work and Pensions (DWP) requiring a change to Council Tax Reduction entitlement. On average 40% of UC claimants have between eight and twelve changes in entitlement per annum. These changes result in amendments to Council Tax liability, the re-calculation of instalments, delays, and the demonstrable loss in collection.
- increased costs of administration through multiple changes with significant additional staff and staff time being needed. It is estimated that on average the Council receives around 39,000 notifications per year of change from the DWP for claimants on UC, that is a significant administrative burden that is likely to increase.

- 8.3.2 The number of Universal Credit claimants at present who are within the Council Tax Reduction Scheme is 2884 which represents 60% of the working age caseload. The number of UC claimants will increase year on year and the majority of work within the working age cohort will revolve around these cases.

- 8.3.3 It is clear that the existing means tested Council Tax Reduction Scheme, which is too reactive to change, will not be viable in the longer term as UC continues to be rolled out fully within the area and with the massive increase in UC claimants due to the COVID-19 crisis. The move to a more efficient scheme from 2023 is now imperative

8.4 The need for a simplified approach to the Council Tax Reduction Scheme

- 8.4.1 Notwithstanding the introduction of UC, the existing scheme is based on an old fashioned means tested benefit scheme, which now has major defects namely:
- it is complex for customers to understand and is based on a complex calculation of entitlement.
 - customers are not easily able to calculate their entitlement
 - the administration for staff is complex, with staff having to request significant amounts of information from applicants.
 - staff have to undergo significant training to be proficient in processing claims.

- the timescales for processing applications are lengthy, mainly due to the complexity and evidence required to support the applications.
- the administration of the scheme is costly when compared to other discounts for Council Tax.

8.4.2 Clearly there is now a need to simplify the scheme, not only to mitigate the effects of UC, but also make it easier for customers to make a claim and to significantly reduce the costs of administration. Our Customer Service Strategy commits to making it easier for customers to access our services and a simplified scheme would support that objective.

8.5 The proposed approach for the 2023/24 Council Tax Reduction Scheme

8.5.1 With the simplicity of the proposed new scheme and by taking a more Council Tax discount approach, it will address the problems associated with the increased administration of the current scheme as follows:

- **The scheme will require a simplified claiming process.** All applicants will see a significant reduction in the claiming process and, where possible, Council Tax Reduction will be awarded automatically. In line with our People First priority the scheme will be easier for our customers to understand and available for them to access and calculate their entitlement at any time.
- For Universal Credit applicants any UC data received from the DWP will be treated as a claim for Council Tax Reduction. Where information is received from DWP, the entitlement to Council Tax Reduction will be processed automatically without the need to request further information from the taxpayer. These changes will have the following distinct advantages namely:
 - **Speed of processing** – all claims will be able to be calculated promptly and largely automatically without the need to request further information which inevitably leads to delays.
 - **Maximising entitlement to every applicant.** As there will no requirement for Universal Credit applicants to apply separately for Council Tax Reduction, and for all other applicants, the claiming process will be simplified significantly. Entitlement to Council Tax Reduction will be maximised with a reduced risk of loss of discount or the need for backdating.
 - **Maintenance of collection rates** – the new scheme will avoid constant changes in discount, the need for multiple changes in instalments and therefore assist in maintaining the high collection rates currently achieved. The increased level of discount will assist all those applicants on the lowest levels of income, again improving the overall collection rate.

8.5.2 In view of the issues now experienced with the current scheme, it is proposed that an alternative approach be taken from 2023/24. The approach has been to fundamentally redesign the scheme to address all the issues mentioned and in particular;

- (a) the level of support available to the lowest income households;
- (b) the problems with the introduction of full-service Universal Credit; and
- (c) the significant increase in administration costs due to the high level of changes received in respect of Universal Credit.

8.5.3 Work has been ongoing since early this year on modelling and developing a new scheme which is now almost complete. A consultation exercise will run for six weeks from 14 September 2022 with the public and the major precepting authorities. If approved by the Council the new scheme will take effect from 01 April 2023.

8.5.4 The proposed new scheme has a number of features as follows:

- more support shall be given to those households on the lowest of incomes than in the current scheme.
- the changes can **only be made to the working age schemes** as the current schemes for pensioners is prescribed by Central Government.
- the current means tested calculations will be replaced by a simple income grid model that will be accessible on our website, as shown below:

Band	Discount	Single Person	Single Person with one child	Single Person with two children	Single Person with three or more children	Couple with no children	Couple with one child	Couple with two children	Couple with three or more children
1	100%	£0 to £100.00	£0 to £165.00	£0 to £220.00	£0 to £330.00	£0 to £140.00	£0 to £205.00	£0 to £260.00	£0 to £340.00
2	75%	£100.01 to £180.00	£165.01 to £245.00	£222.01 to £300.00	£330.01 to £385.00	£140.01 to £220.00	£205.01 to £285.00	£260.01 to £340.00	£340.01 to £395.00
3	45%	£180.01 to £240.00	£245.01 to £305.00	£300.01 to £360.00	£385.01 to £445.00	£220.01 to £280.00	£285.01 to £345.00	£340.01 to £400.00	£395.01 to £455.00
4	25%	£240.01 to £300.00	£305.01 to £365.00	£360.01 to £420.00	£445.01 to £505.00	£280.01 to £340.00	£345.01 to £405.00	£400.01 to £460.00	£455.01 to £515.00
5	0%	Over £300.01	Over £365.01	Over £420.01	Over £505.01	Over £340.01	Over £405.01	Over £460.01	Over £515.01

8.5.5 It is proposed that the highest level of discount will be at 100% of the Council tax liability (Band 1) meaning, someone with 100% discount will not be expected to make a contribution towards their Council Tax bill. All current applicants that are in receipt of a 'passport benefit' such as Income Support, Jobseeker's Allowance (Income Based) and Employment and Support Allowance (Income Related) will receive this maximum discount.

8.5.6 All other discount levels are based on the applicant's and partner's (where they have one) net income.

8.5.7 The scheme allows for variation in household size with the levels of income per band increasing where an applicant has a partner, and / or dependants. There will be no charges made where an applicant has non-dependants living with them. This is a

significant change and means that the administration of the scheme will be more straightforward whilst also protecting low-income families where adult sons and daughters for example remain at home.

8.5.8 To encourage work, a standard £50 per week disregard will be provided against all earnings. This will take the place of the current standard disregards and additional earnings disregards. Where a family also receives a childcare disregard (for childcare costs not paid for by Central Government schemes), the income levels in the 'grid scheme' are set at a higher rate. Further disregards are listed below:

- disability benefits such as Disability Living Allowance and Personal Independence Allowance will continue to be disregarded.
- where any applicant, their partner or dependent child(ren) are disabled, a further disregard of £50 per week will be given, thereby maintaining the current level of support to those with disabilities.
- Carer's Allowance and the Support Component of Employment and Support Allowance will be disregarded.
- Child benefit and Child Maintenance will be disregarded.
- an amount in respect of the housing element, within Universal credit will be disregarded.
- the total disregard on war pensions and war disablement pensions will continue.
- Extended payments will be removed; and
- the capital limit of £16,000 with no tariff (or assumed income) being applied

8.6 How the new scheme will address the issues with the current scheme

8.6.1 With the simplicity of the proposed new scheme and by taking a more 'Council Tax discount approach', it will address the problems associated with the increased administration caused by issues with the current scheme and Universal Credit:

8.6.2 The income bands of the proposed scheme are sufficiently wide to avoid constant changes in discount. The current Council Tax Reduction Scheme is very reactive and will alter even if the overall change to the person's liability is small. This is leading to constant changes in Council Tax liability, the need to recalculate monthly instalments and the requirement to issue a large number of Council Tax demands. The effect of this is that Council Tax collection is reduced. The new scheme, with its simplified income banding approach will have the following advantages

- Only significant changes in income will affect the level of discount awarded
- Council Taxpayers who receive Council Tax Reduction will not receive multiple Council Tax demands and adjustments to their instalments; and
- The new scheme is designed to reflect a more modern approach, where any discount changes will be effective from the day of the change rather than the Monday of the following week.

8.7 Transition to the new scheme and the Exceptional Hardship Scheme

- 8.7.1 The Council must be mindful that any change in scheme or a transition to a new scheme may result in a change to the entitlement of certain applicants.
- 8.7.2 Inevitably, with any change in scheme, there will be some who will not benefit from the changes and will see a reduction in entitlement or entitlement end altogether, whilst we have tried to minimise this, any changes in entitlement will be based on income levels.
- 8.7.3 The proposed scheme has been designed to protect the most vulnerable. It is proposed that the new scheme will contain additional discretionary provisions to protect individuals who experience exceptional hardship. Where any applicant is likely to experience exceptional hardship, they will be encouraged to apply for an exceptional hardship payment for a specified period of time. The Council will consider all applications for exceptional hardship on an individual basis, taking into account available income and essential outgoings. Where appropriate, further support will be given to the applicant.
- 8.7.4 This approach will enable individual applicants to be dealt with in a fair and equitable manner. The Exceptional Hardship Scheme will form part of the Council Tax Reduction Scheme and fall to be paid through the Collection Fund.

9. LEGAL IMPLICATIONS

- 9.1 The Council is required to maintain and annually review its Council Tax Reduction Scheme in accordance with Section 13A and Schedule 1A of the Local Government Finance Act 1992 (as amended by the Local Government Finance Act 2012).
- 9.2 Schedule 1A to the Local Government Finance Act 1992 requires the Council to make any revision to its scheme or any replace scheme no later than 11 March in the financial year preceding that for which the revision or replacement scheme is to have effect.
- 9.3 Full Council's terms of reference include at 4.4.1 (z) "approving the Council Tax Reduction Scheme". Cabinet's terms of reference include at 5.6.44 recommending to Full Council "The Council Tax Reduction Scheme".
- 9.4 Section 3(1) of Schedule 4 of the Local Government Finance Act 2012, which inserts Schedule 1A to the Local Government Finance Act 1992 requires the Council to consult on any changes to its scheme as follows:
- Consult any Major Precepting Authority which has power to issue a precept to it,
 - Publish a draft scheme in such manner as it thinks fit, and
 - Consult such other persons as it considers are likely to have an interest in the operation of the scheme.

10. FINANCIAL IMPLICATIONS

- 10.1 The current Council Tax Reduction Scheme costs approximately £7.77m which is borne by the Council's Collection Fund. Costs are shared between the Council and the Major Precepting Authorities in the following proportions:

- County Council (including Fire and Rescue Service) (76.4%)
- Police and Crime Commissioner (11.1%)
- District Council (12.5%)

These proportions are based on the overall share of Council Tax income and will change over time in line with decisions made by each Authority on levels of Council Tax increase. Recently, these have mainly been affected by the levels of increase (without a local referendum) that have been allowed by Government.

The costs of Council Tax Reduction are not funded by the Precepting Authorities directly. Instead, the estimated level of eligibility is converted into a number of band D equivalent properties. That then reduces the overall tax base (i.e., the number of priorities expected to pay Council Tax), and therefore the amount of income that each Precepting Authority should expect to receive. Differences between what was expected, and the amount actually collected are managed through a Collection Fund. The precepting Authorities will share any surpluses or shortfalls in the following year.

- 10.2 The approach and shape of the scheme is changing, and the overall approach will be to provide additional support to those households on the very lowest incomes. Based on current modelling, were the new scheme to be in place at the current time, the costs would be £7.89m the increase in cost that would be apportioned to North Herts is approximately £15,000.
- 10.3 The projected cost increase is the maximum expected. Modelling adjustments are continuing to be made to see if the increase can be reduced without having a significant adverse impact.
- 10.4 Whilst the expected costs of the scheme for 2023/24 will be slightly higher, the overall level of Council Tax Reduction as a proportion of the Council Tax Base has reduced year on year since 2013 as shown below at 8.6 and 8.7. The only exception was in the COVID-19 period (2020/21 and 2021/22) but the trend has started to show that the costs are falling again and the number of claimants reducing. Of course, since Covid we now face the cost-of-living crisis. We don't expect the cost-of-living crisis to automatically increase the numbers of claimants, unless it leads to job losses in which case we will see an increase in claimants, as would be the case under the present scheme.
- 10.5 Whilst the overall Council Tax liability has increased year on year the value of Council Tax Reduction claims as a percentage of overall liability had continued to decrease prior to the pandemic.

10.6 Council Tax Reduction as a Percentage of Gross Council Tax Liability

Financial Year	2013 £	2014 £	2015 £	2016 £	2017 £	2018 £	2019 £	2020 £	2021 £
Gross CT Liability	83,774,520	84,591,594	86,434,938	89,845,133	94,684,222	100,685,225	105,302,251	110,123,753	115,611,353
CTR	6,998,498	6,902,064	6,693,360	6,761,037	6,770,869	6,863,664	6,771,613	7,208,969	8,218,400
%	8.35%	8.16%	7.74%	7.53%	7.15%	6.82%	6.43%	6.55%	7.11%

10.7 Council Tax Reduction - Caseload Reductions

Financial Year Commencing	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Working Age	4797	4718	4537	4327	4187	4058	3980	4355	5151	4823
Pension Age	4214	4065	3831	3608	3404	3120	2981	2874	2746	2636
Total	9011	8783	8368	7935	7591	7178	6961	7229	7897	7459

11. RISK IMPLICATIONS

- 11.1. In transitioning from the old to the new scheme, there is a risk that there could be some initial confusion amongst applicants. If not managed well, this could lead to customers not receiving discounts that may be due to them. By simplifying the current scheme and ensuring that we publicise the new scheme effectively, it will become easier for customers to make a claim and administrative costs will also be reduced.
- 11.2. There is a risk that there will be some who will not benefit from the changes and will see a reduction in entitlement or entitlement end altogether. By introducing new discretionary provisions to the scheme, the Council will be able to encourage applicants to apply for an exceptional hardship payment, and where appropriate, further support can be given.
- 11.3. There is a risk that the new scheme will increase costs to the Council. The work being undertaken is to try and assess the potential impact of this so that it can be incorporated into the decision on whether to adopt the new scheme.

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. It should be noted that this scheme only applies to and impacts a specific age group: working-age claimants. Changes suggested within this report aim to improve accessibility to the scheme for all claimants through a simplified process; and improve the support available to those that are on the lowest incomes. As noted at 8.7.2, there will be some who will inevitably not benefit from the changes and will see a reduction in entitlement or entitlement end altogether. Efforts have been made to minimise negative impacts.
- 12.3. By conducting extensive consultation, the Council seeks to collect information from those who may be potentially affected by these proposals.

13. SOCIAL VALUE IMPLICATIONS

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

14. ENVIRONMENTAL IMPLICATIONS

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

15. HUMAN RESOURCE IMPLICATIONS

- 15.1 There are no direct Human Resources implications in this report, however the changes proposed would make the Council Tax Reduction Scheme significantly easier to administer and therefore this would reduce the additional burden that has been placed on the service because of Universal Credit.

16. APPENDICES

- 16.1 None

17. CONTACT OFFICERS

- 17.1 Jo Dufficy, Service Director Customers
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18. BACKGROUND PAPERS

- 18.1 None

CABINET 13 September 2022
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*PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: 3C's Policy

REPORT OF: Customer Service Manager

EXECUTIVE MEMBER: LEADER OF THE COUNCIL - Councillor Elizabeth Dennis-Harburg

COUNCIL PRIORITY: PEOPLE FIRST

1. EXECUTIVE SUMMARY

- 1.1 This report proposes amendments to the Comments, Compliments and Complaints (3C's) policy, based on experiences, learning and discussions since the last policy review in 2019. An overview of those amendments is included in section 8.

2. RECOMMENDATIONS

- 2.1. That Cabinet adopt the following documents:
- Updated 3C's Policy
 - Appendix A – Complaint Flow Chart
 - Appendix B – Unreasonable Complainant (& Contact) Policy
- 2.2. That Cabinet agree to delegate any minor changes in relation to the 3C's policy to the Service Director – Customers in consultation with the Executive Member for the Customer Service Centre.

3. REASONS FOR RECOMMENDATIONS

- 3.1. The recommendations are being made to ensure the 3C's policy stays current and reflects learning since the last review date. The policy continues to remain in line with Local Government Ombudsman (LGO) best practice.
- 3.2. Some of the specific updates and amendments address matters that have arisen for the first time and therefore adding them now helps to ensure the policy is clear for all going forward.
- 3.3. The updates ensure the Council has a robust policy to refer to when required, and customers are clear on how the policy works.
- 3.4. The policies and associated report have been seen by the Overview and Scrutiny Committee on 06 September 2022.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. There were no other reasonable alternative options considered, as updates to the policy were due by September 2022.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1. Consultation has taken place with the following:

- The Leader of the Council (who has Executive responsibility for the coordination of complaints and Ombudsman queries)
- The Leadership Team
- Political Liaison Board (PLB)
- Shared Internal Audit Service (SIAS) regarding the unreasonable complainant (& contact) policy

6. FORWARD PLAN

- 6.1 This report contains a recommendation on a key executive decision that was first notified to the public in the Forward Plan on the 5th August 2022.

7. BACKGROUND

- 7.1 The Council has a well-established 3C's process in place. The policy sets out how this process works, and additional key information.
- 7.2 The policy was last updated in September 2019 and was due for review by September 2022.
- 7.3 The review took place in Q4 2021, and throughout Q1 & Q2 2022 to ensure sufficient time to brief the Council on the changes and upload the policy to the website during September 2022.

8. RELEVANT CONSIDERATIONS

- 8.1 There have been no major changes to the policy, only updates to certain sections to reflect situations that have arisen since the last review and provide greater clarity.
- Linking the policy to the customer service strategy, and more specifically, the Council's 'People First' approach. (*Policy summary*)
 - Inclusion of how compliments are shared and celebrated by the Council. (*Para 2.2*)
 - An expansion on what is *not* covered by the policy, with the inclusion of relevant signposting. (*Para 3.4*)
 - Inclusion of the various methods where a complaint can be logged (*Para 4.1*)
 - An encouragement to customers to outline any injustice that has been caused, to enable a thorough response and allow the Council the chance to rectify. (*Para 4.1*)
 - Clarity on anonymous complaints & third-party representatives. (*Para 4.2*)

- Clarity on whether an officer mentioned/complained about within the complaint can respond. (*Para 5.1*)
 - Hyperlinks to relevant documents on the website mentioned throughout the policy.
 - Inclusion of Councillors within the Unreasonable Complainant (& Contact) Policy, within *Appendix B*.
 - More examples of unreasonable actions and behaviours of a customer, within *Appendix B*.
 - An inclusion of the considerations that should be taken prior to invoking the policy, within *Appendix B*.
 - An expansion of options most likely to be considered by the Council if action is to be taken against an unreasonable customer, within *Appendix B*.
 - A direct link to the social media acceptable use policy, within *Appendix B*.
 - Information on the steps taken if the customer is deemed a risk to staff, within *Appendix B*.
- 8.2 The amendments to the policy as described above, are all based on learning and feedback since the last time the policy was updated. The changes made reflect a sincere desire to assist customers to get the information they need, and officers dealing with 3C's. It aims to ensure clarity in certain situations, where it may have been needed previously.
- 8.3 The look and feel of the policy has now been updated to align with other customer facing documents, such as the Customer Service Strategy for 21-27 and the Council Plan for 22-27. The policy also references both the above documents, to ensure cohesion between everything the Council wants to achieve.
- 8.4 It is worth noting that the percentage of interactions with the Council during 21/22 resulting in a complaint remained at less than 1%. Whilst the percentage is low, the updates ensure a robust policy for all to refer to when required.
- 8.5 When complaints are closed, officers are required to advise on learning outcomes which help to improve processes moving forward. This will also form part of the next review of the policy in 2025.
- 8.6 The unreasonable complainants (& contact) policy has also been updated in line with the updates within the 3C's policy. In Q2, SIAS completed an audit on this policy and concluded there are effective controls in operation providing substantial assurance. This ensures our staff can be confident in their decision making if they are faced with any unreasonable complainants.
- 8.7 The audit process included a research and benchmarking process both by the Customer Service Manager and by SIAS. Benchmarking was done against St Albans City and District Council and East Herts Council. SIAS concluded that the review undertaken has provided improvements and a good overarching policy for unreasonable complainants.
- 8.8 The Council has received a very low number of difficult customer cases (2) in at least the last 7 years, but in the two cases reviewed, SIAS advised that the approach taken has enabled the Council to follow a consistent approach, resulting in effective management of risks relating to unreasonable complainants.
- 8.9 The unreasonable complainants (& contact) policy now covers Councillors as well as staff. This is in response to a report by the Local Government Association (LGA) entitled

'Debate Not Hate: The impact of abuse on local democracy'. The report discusses how "increasing levels of abuse and intimidation in political and public discourse are negatively impacting politicians and democracy at local and national levels". The first recommendation from the LGA is encouraging Councils to take greater responsibility for the safety and wellbeing of Councillors and take a proactive approach to preventing and handling abuse and intimidation. By including Councillors within the policy, we are aiming to ensure Councillors feel supported by the Council and are supported by the policy when/if required.

9. LEGAL IMPLICATIONS

9.1 Cabinet's Terms of Reference include at 5.6.1 of the Constitution: 'to prepare and agree to implement policies and strategies other than those reserved to Council'

9.2 There are no other legal implications to this report.

10. FINANCIAL IMPLICATIONS

10.1. There are no financial implications to this report.

11. RISK IMPLICATIONS

11.1. No risks have been identified regarding the policy updates.

12. EQUALITIES IMPLICATIONS

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

12.2. There are no equalities implications to this report.

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 the 3C's policy.

15. HUMAN RESOURCE IMPLICATIONS

15.1 The policy aims to enhance officers experience when dealing with 3C's and provides a detailed process with clarity in situations that may need it. All staff will be briefed on the changes made via a staff briefing in September, followed by a Global email to ensure everyone is aware of the updated policy.

16. APPENDICES

- 16.1 Appendix A – 3C's Policy
- 16.2 Appendix B – Complaints Flow Chart
- 16.3 Appendix C – Unreasonable complainants' (& contact) policy

17. CONTACT OFFICERS

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- 17.2 Jo Dufficy – Service Director – Customers
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18. BACKGROUND PAPERS

- 18.1 None

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**“Putting our
customers at the
heart of everything
we do”**

Comments, compliments and complaints

Policy and procedure

September 2022. To be reviewed September 2025



**North
Herts**
Council

Summary

We know that 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. As part of our 'People First' commitment, the 3C's process welcomes and encourages feedback from all around us. In line with our [customer service strategy](#), we will aim to respond to you quickly and courteously, within the timescales where possible, regardless of how you log your comment, compliment or complaint (3C's). As a co-operative council, we value and build accountability, fairness, and responsibility into all that we do.

This policy sets out how the council determines and deals with comments, compliments, and complaints. It also covers how the council is very willing to receive feedback, which can help to improve services and highlight areas of good practice.

Submitting a comment, compliment, or complaint

A comment, compliment, or complaint can be made in writing (via the website e-form, email, hard copy complaint form or letter), by telephone, or in person.

1



Your stage 1 complaint will be allocated to an investigating manager who will respond within 10 working days. This will either be with a full response, or an explanation on why more time is required.

2



If you are not satisfied with the outcome of the stage 1 complaint, you can make a **stage 2 complaint**, which if accepted will be further investigated by a different member of staff or more senior manager, who has had no previous dealings with the complaint. Officers will aim to respond within 10 working days, and will usually be the final word on the matter.

3



If you remain dissatisfied after receiving our response to your stage 2 complaint, you may be able to refer your complaint to the **Local Government Ombudsman (LGO)**.

1. Introduction

- 1.1 At North Herts Council, we endeavour to provide high quality services to all our customers. However, we recognise that on occasion, despite our best efforts things can go wrong. By welcoming feedback through our 3C's process, we can remedy situations that have gone wrong and continue to improve our services. We can also learn from examples of positive feedback about things that have been done well.
- 1.2 All council employees receive training on the 3C's process as part of the corporate induction and have access to a range of information and guidance to support effective [handling of the 3C's](#). Whilst we welcome feedback on all aspects of the 3C's, this policy and procedure is mainly focussed on complaint handling and shall apply to complaint handling for all services within North Herts Council unless it is overridden by the alternative processes set out in section 3.4.

2. Comments and compliments

- 2.1 Comments and compliments are welcomed so that we can learn from examples of where things have worked well and to recognise when council staff and contractors provide exceptional levels of service.
- 2.2 Compliments received are anonymised and then shared and celebrated with the council through the monthly internal staff magazine.
- 2.3 Comments which identify opportunities to make changes to services or processes help us understand our customers views on matters and provide valuable customer insight into our services.
- 2.4 All customer feedback whether it is a comment, compliment or complaint is recorded on a central database and passed on to the relevant service manager for review and to deal with as appropriate.
- 2.5 Data relating to comments, compliments and complaints will be reported at high level without disclosing any personal details to senior management and Councillors. All data held within the database will be kept in accordance with our data retention schedules.

3. Complaints

3.1 What is a complaint?

3.2 We define a complaint as being a specific expression of dissatisfaction with the quality of a service provided by the council, usually falling under one of the following categories:

1. We have failed to do something we should have
2. We have done something badly or in the wrong way
3. A customer feels they have been treated unfairly or discourteously

3.3 Sometimes you might complain that a service hasn't been delivered. Rather than treating this as a complaint we will look to get the service delivered for you, and then if you remain dissatisfied we'll look into any further concerns you have. Some other examples of things we'll try and work with you to fix rather than treat as complaints are included below.

3.4 Examples of what is not covered by our Complaints Policy

The list below is not exhaustive but gives examples of things that are not dealt with as complaints. We have also included useful links to signpost you to the relevant reporting process.



A missed bin would be processed as a request for service by our contractor. However, repeated missed bins or failure to deal with an issue correctly could lead to a complaint. If you need to log a missed bin, you can do so here: www.north-herts.gov.uk/report-missed-bin



Disagreement with a policy decision. We still welcome this feedback but will record it as a comment and it will be dealt with outside of the complaints policy. You can also discuss this with your local Councillor.



Council Tax bandings. If you disagree with the band of your property, you can appeal to the Listing Officer at the Valuation Office Agency (VOA). [Council Tax valuation bands | North Herts Council \(north-herts.gov.uk\)](http://Council Tax valuation bands | North Herts Council (north-herts.gov.uk))



Challenging a Penalty Charge Notice (PCN). If you wish to challenge a PCN you can do so here: [Challenge a Penalty Charge Notice | North Herts Council \(north-herts.gov.uk\)](http://Challenge a Penalty Charge Notice | North Herts Council (north-herts.gov.uk))



Planning objections. If you wish to submit a planning objection you can do so here: [View or comment on a planning application | North Herts Council \(north-herts.gov.uk\)](http://View or comment on a planning application | North Herts Council (north-herts.gov.uk))



Housing Benefit. We have an appeals process which you can find here: [Appeal against a benefit decision | North Herts Council \(north-herts.gov.uk\)](http://Appeal against a benefit decision | North Herts Council (north-herts.gov.uk))



Complaints about councillors are handled separately to our main complaints procedure. If you have a complaint about a councillor you can raise it here: [Complain about a Councillor | North Herts Council \(north-herts.gov.uk\)](http://Complain about a Councillor | North Herts Council (north-herts.gov.uk))



Complaints on social media. Our social media pages are generally used for responding to service requests or customer service enquiries. More information can be found here: www.north-herts.gov.uk/social-media-acceptable-use-policy



Anything that falls under the Data Protection and Freedom of Information (FOI) Act. Complaints about an FOI request should be directed to the Information Commissioner's Office (ICO) [Make a complaint I ICO](#)



Hate crime reports not linked to the council. You can report hate crimes via www.north-herts.gov.uk/report-hate-crime



A complaint relating to another organisation. If you have a complaint about one of our contractors, or another organisation we will help you engage with their complaint process.



In line with LGO practice, we won't normally look at complaints about things that happened, or you were aware of, more than 12 months ago.

4. How to make a complaint

- 4.1 A complaint can be made in writing (via the [website e-form](#), email (services@north-herts.gov.uk), hard copy complaint form (available online or at council offices) or letter) or by telephone (01462 474000) or in person. If you can, we encourage you to make your complaint in writing to help us understand all of your concerns. But if you can't do this we will work with you to ensure we fully understand your concerns. It's important to us that we capture the injustice caused to you so that we get the chance to rectify this where possible. When you make your complaint please tell us how you'd like us to communicate the outcome. If you prefer a verbal response, we will follow this up in writing so you have a record of our response.
- 4.2 We don't accept anonymous complaints as we can't communicate a response. But we will listen to any feedback provided anonymously and bear it in mind going forwards. A representative can bring a complaint on your behalf. This could include Citizens Advice, Councillors or similar. We ask that authority from you for them to represent you in the complaint is provided. If at any time you wish to withdraw your consent for a third party to represent you, please let us know.
- 4.3 We will not usually handle letters in the local newspapers or messages on social media through our newspapers through our 3C's process, however if you have supplied contact details we may try and contact you directly to follow up on your comments if appropriate to do so.
- 4.4 Complaints regarding contractors who provide services on our behalf should, wherever possible, be directed to the contractors in the first instance. This allows the contractor the opportunity to resolve the matter quickly and avoids potential duplication. You may choose not to deal with the contractor directly. In which case, we will handle the matter through our own complaints process. Likewise, if the matter is not satisfactorily resolved by the contractor, then you may escalate the complaint to be handled through our process. Contractor feedback is monitored through regular contract management meetings.
- 4.5 We can provide information on how to complain in different languages and formats and can provide assistance to people who need it.

5. The complaints process

We aim to resolve complaints at the earliest opportunity. We aim to deal with all complaints within 10 working days. If we need more time, we'll let you know, and say when we hope to give you an answer.

5.1 Stage 1

Once a formal complaint is received, it will be recorded on our Customer Relationship Management (CRM) system and an acknowledgement with a reference number will be sent to you within two working days.



Details of your complaint will be sent to an appropriate officer to investigate. If your complaint concerns a member of staff, then that staff member would not be the investigating officer. There may be some exceptions to this rule, particularly where the officer mentioned is best placed to respond due to their level of knowledge or expertise on the subject matter. A complaint about a member of staff may be referred to Human Resources for a separate internal investigation if appropriate; details of any action resulting from an HR investigation would be confidential.



Complaints regarding the Managing Director will be responded to by the Leader of the council.



We may need to contact you to discuss the complaint or obtain further information to ensure that we fully understand the complaint and can investigate it thoroughly.



If you are dissatisfied with the stage 1 response, you may have the right to escalate the complaint to stage 2 of the process. We will review complaints under stage 2 of the process only if one or more of the following circumstances is applicable:

1. The complaint has not been fully understood or investigated thoroughly due to a misunderstanding of the original complaint.
2. That all points raised in the complaint have not been fully responded to.
3. You have not had a response to the Stage 1 complaint within the prescribed timescales and have not had an indication as to when a response can be expected.

To request a review under stage 2 you should contact the Customer Service Centre within 14 working days of our response to you, advising why you are dissatisfied with the complaint outcome. A complaint can only be escalated to stage 2 if it has been through stage 1 of the process and meets one or more of the criteria for escalation. Details of how to request this will also be included in your stage 1 outcome letter.

If your complaint does not meet the criteria to escalate to stage 2 but you are dissatisfied with our response, then you may refer your complaint to the Local Government Ombudsman (LGO), details of which can be found in section 6 of this document.

5.2 Stage 2

Stage 2 follows the same process as stage 1 of our procedure. In most cases, your complaint will be reviewed by a Senior Manager who will not have investigated the complaint at Stage 1, unless it is not appropriate for them to do so, and in which case will be passed to the most suitable member of staff.

6. The Local Government Ombudsman (LGO)

- 6.1 The LGO can investigate complaints about the council, however in most cases before they will investigate a complaint, the council must have had the chance to put things right first through the first and/or second stage of the complaints process. The Ombudsman will not usually consider complaints that are over 12 months old unless there is a compelling reason to do so.

Contact the Ombudsman

The Local Government Ombudsman

PO Box 4771
Coventry
CV4 0EH

www.lgo.org.uk

Telephone: 0300 061 0614

7. Unreasonable complainant (and contact) policy

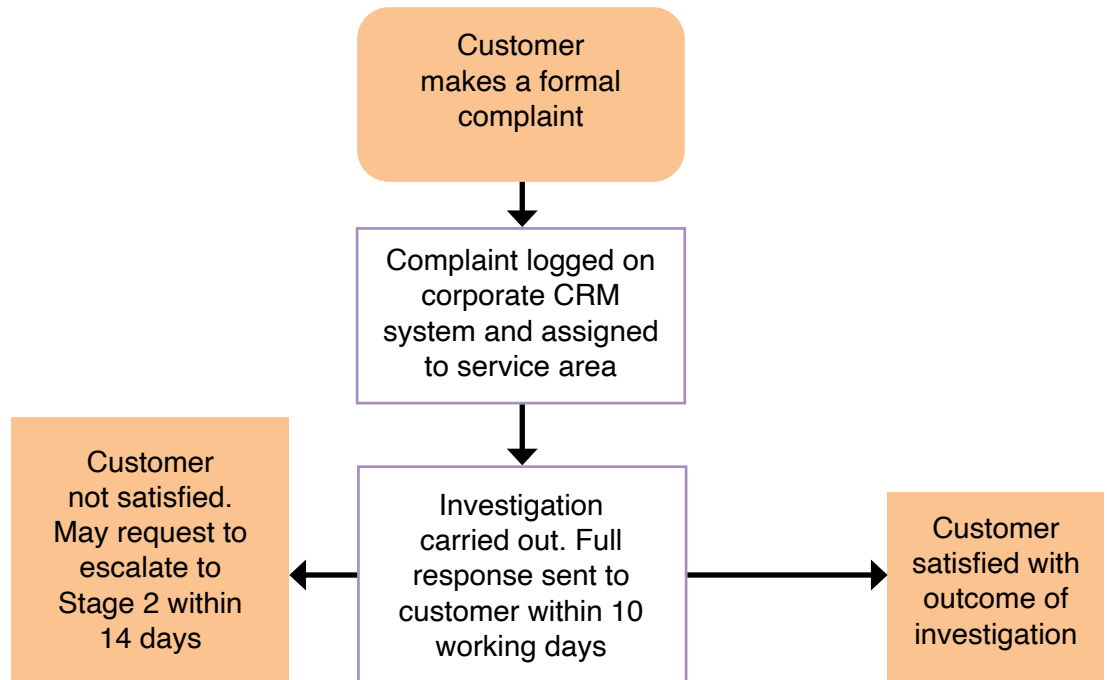
- 7.1 We have a duty to make sure that public money is spent wisely and achieves value for complainants and the wider public. In a very small number of cases, despite exhausting our complaints policy and possibly that of the LGO, a complainant may continue to pursue a complaint or line of contact unreasonably.
- 7.2 While we do not normally limit the contact complainants have with us or Councillors, in some cases it is necessary to do so because the nature or frequency of a complainant's contact hinders our ability to consider their and other customers' complaints. We refer to these as serial, persistent, or vexatious complainants. This can be defined as a complaint where it is readily apparent that the customer is pursuing a complaint which is entirely without merit and made with the intention of causing inconvenience, harassment, or expense to the council.
- 7.3 We have internal guidance in place which sets out how staff and Councillors should deal with unreasonable complainant behaviour. This includes that contact could be limited, restricted or in some cases stopped altogether. (More information can be found at Appendix A – Unreasonable complainant (and contact) policy).

8. Performance monitoring and reporting

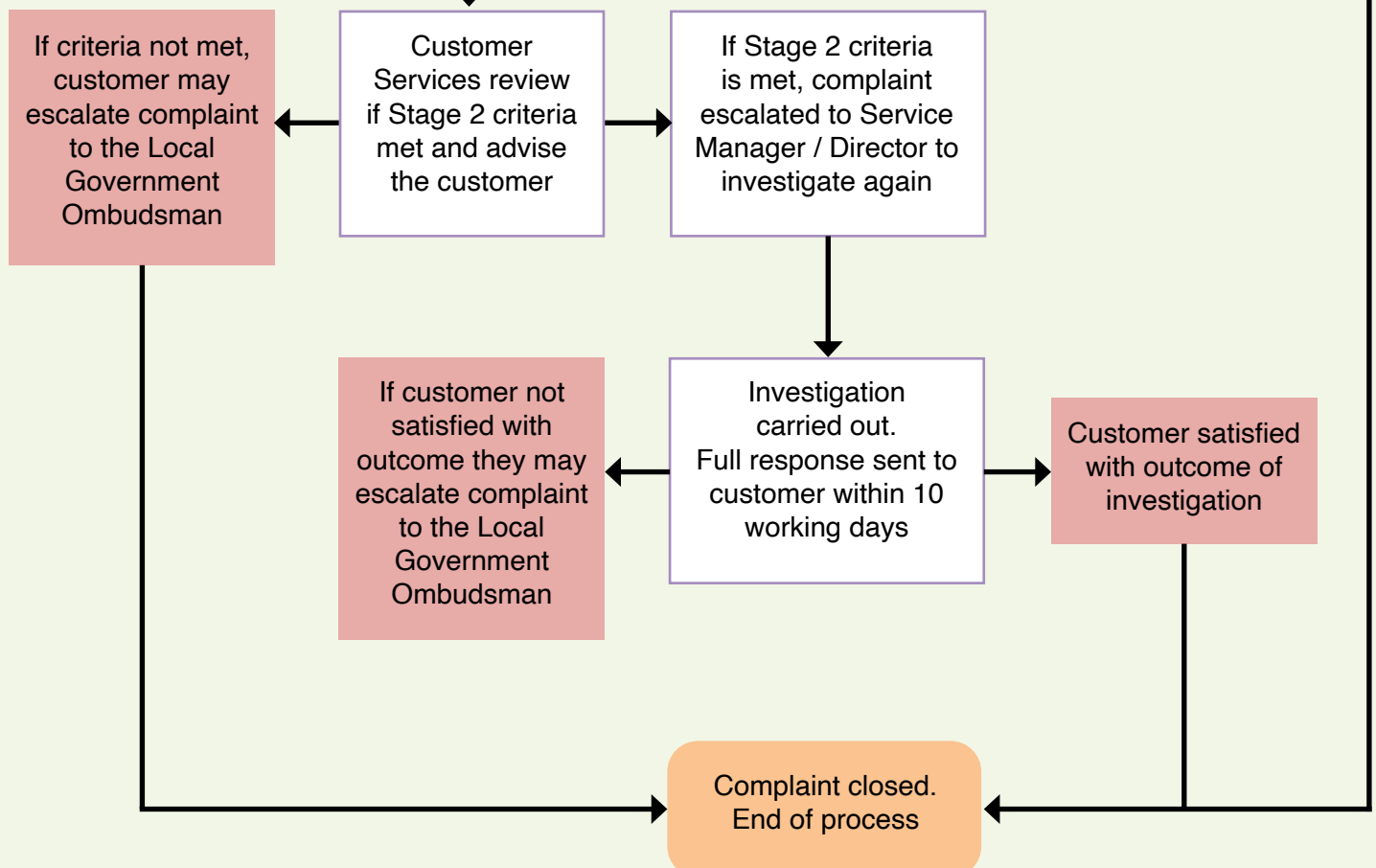
Key complaints data specifically relating to volumes and performance is collated and analysed on an ongoing basis. This data is reported twice a year to the council's Overview and Scrutiny Committee. The reports are published on [our website](#).

Appendix A: Complaints process

Stage 1



Stage 2



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Appendix B – Unreasonable complainant (and contact) policy

Introduction

We put customers at the heart of everything we do. We are committed to dealing with all complaints fairly and impartially, and to providing a high standard of service to those who make complaints. We also have a duty to make sure that public money is spent wisely and achieves value for complainants and the wider public.

Whilst we do not normally limit the contact customers have with officers or Councillors, in some cases it is necessary to do so. This may be because the nature or frequency of a customer's contact with the council hinders our ability to provide services and the consideration of their, and other peoples complaints or concerns. We refer to these as serial, unreasonably persistent, or vexatious complainants.

Some customers may have justified concerns or complaints but pursue them in inappropriate ways, others may pursue matters which appear to have no substance or have already been investigated and determined. The contact may be amicable but still place heavy demands on staff time or it may be emotionally charged and distressing for all concerned.

Purpose

What this policy covers:

- ✔ Definition and examples of 'unreasonable customer behaviour'
- ✔ Definition of 'vexatious customers'
- ✔ The process for dealing with customers who behave in an unreasonable manner
- ✔ The process for dealing with vexatious customers
- ✔ The process for dealing with offensive or abusive comments made on social media

How we define 'unreasonable'

Any behaviour that negatively impacts on the council's ability to deal effectively with the matter in hand, or other customers' issues or complaints, due to the frequency or nature of contacts with the council or its Councillors.

Examples of unreasonable actions and behaviours (not exhaustive)



Continuing to pursue an issue or complaint even though the council's complaint procedure has been fully exhausted and/or refusing to co-operate with the complaints investigation process.



Refusal to accept a decision and/or repeatedly arguing points with no new or relevant evidence being provided.



Refusal to accept that certain issues are not within the remit of our complaints procedure (i.e. third party matters outside of the council's remit), despite having been provided with full information about the procedure.



Making what appear to be groundless or vexatious complaints about the staff member or Councillor dealing with the issue or complaint.



Excessive number of contacts with staff or Councillors regarding the complaint or issue which has a negative effect on the ability to deal with the complaint effectively.



Excessive demands on the time and resources of staff or Councillors with lengthy phone calls, emails to numerous staff/Councillors or detailed letters, not necessarily related to the issue or a formal complaint.



Adopting a 'scattergun' approach; pursuing parallel complaints or contact on the same issue with a variety of council service areas, teams, Councillors, individuals, or third-party organisations.



Repeatedly not following specific processes or ignoring policies.



Failure to adhere to existing restrictions.





How we define 'vexatious customers'

A vexatious customer may seek to cause disruption, distress, worry or frustration without any proper or justified reason.

Considerations prior to taking action









When the consideration of a complaint has concluded, it may be appropriate to end all communication regarding the issue and refer the complainant to the Ombudsman.

Any action to restrict access could have serious consequences for a customer, so before action is taken, we will be satisfied that:

-  The issue or complaint has been, or is being, investigated properly
-  Any decision reached is the right one
-  Communications with the customer have been adequate
-  The customer is not now providing any significant new information that might affect the outcome of the issue or complaint.

The decision to classify a customer's behaviour as unreasonable or vexatious will be considered by the Customer Service Manager on a case-by-case basis. If it is in relation to a Councillor, this decision will be made in conjunction with the Leader of the Council.

Options the council will consider include (but not limited to):

-  Requesting contact in a particular form e.g., by letter only
-  Requiring contact to only take place via a specified officer
-  Asking the customer to enter into an agreement about their future contact with the council.
-  Contact to be made to the council via a third party (solicitor, Councillor, friend, etc.)
-  Where the level of contact is unreasonable, or the nature is considered vexatious we will act to limit contact. As an example, this may be for 3 months, 6 months, or 1 year+.
-  Terminating all contact with a customer. Allowing service requests (e.g., Council Tax enquiries) will be considered at the time depending on the nature of unreasonable actions
-  Consider whether a review under our safeguarding policy may be required
-  Barring access to any council building

Social Media

For information on our Social Media Acceptable Use policy, please visit [Social Media Acceptable Use Policy | North Herts Council \(north-herts.gov.uk\)](https://www.north-herts.gov.uk/social-media-acceptable-use-policy)

Case Review

The officer or Councillor who has been in contact with the customer is best placed to judge at what point behaviour becomes unreasonable. Before action is taken to restrict access, the case must be reviewed by a Service Director or the Managing Director. If a decision is made to limit or restrict access to services, the customer will be notified with an explanation of:



Why the decision has been taken



What it means in terms of contact with the council or Councillor



How long the restriction will be in place and when it will be reviewed



A copy/update of any correspondence with the customer should be attached to the customer record on the CRM.

This record is important so the Council can evidence that it has acted in a fair and proportionate manner, if later scrutinised by the Local Government Ombudsman.

If a restriction is in place, then ongoing correspondence/contact will be reviewed and considered. If it is simply a continuation of previous matters, then receipt should be acknowledged, and a record / copy placed on file, but a response will not be provided.

In most cases, service requests or new, unrelated complaints will not be ignored and will be treated on their own merit.

Any restrictions should be for a specified period with a review date if appropriate. Unless there are good grounds to extend the restrictions, they should be lifted at the end of the review period.

If a customer wishes to request a review of a decision to limit their access to the council, they should request this in writing.

In line with the Customer Service strategy, the council aims to provide a consistent level of customer service and treat you with fairness and respect no matter the situation.

Recording the decision

If the decision has been made to restrict access to the council, the officer or Councillor involved will also advise the Customer Service Manager whether they deem the customer could pose a risk. If they could pose a risk, an internal incident form will be used and sent to the Health and Safety officer to consider the use of the incident register. The officers or Councillors likely to come in to contact with the customer will then be notified. Under the Human Rights Act 1988, the assessment must be proportionate, balancing risk to officers against the rights of the customer's reputation.

If the customer disregards the contact arrangements put in place, the council will consider next steps which may involve the police, depending on the level of behaviour displayed.

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

Document is Restricted

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**CABINET
13 SEPTEMBER 2022**

PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: NORTH HERTS LEISURE CENTRE SOFT PLAY INVESTMENT

REPORT OF: THE SERVICE DIRECTOR - PLACE

EXECUTIVE MEMBER: ENVIRONMENT & LEISURE: CLLR STEVE JARVIS

COUNCIL PRIORITY: SUSTAINABILITY / A BRIGHTER FUTURE TOGETHER

1. EXECUTIVE SUMMARY

- 1.1 The purpose of the report is to seek Cabinet approval for an investment proposal at North Herts Leisure Centre, Letchworth. The proposal would involve using two of the four existing squash courts and the changing rooms located in the same area, to create a soft play facility with a toddler and junior area, plus provision for parties.

2. RECOMMENDATIONS

- 2.1. That Cabinet consider and agree the soft play investment proposal.
- 2.2. That Cabinet recommends to Council to make the addition of £150k to the Capital programme in 2022/23.
- 2.3. That Cabinet recommends to Council to move the existing capital allocation of £100k in 2023/24 for refurbishment of the dry-side changing rooms to 2022/ 23 and reallocate it to the soft play project.

3. REASONS FOR RECOMMENDATIONS

- 3.1. Introducing a soft play facility at North Herts Leisure Centre will enhance the range of leisure facilities on offer and provide a dedicated play space for families with toddlers and young children within the local area.
- 3.2. The new facility will generate additional revenue for the site, aiding the financial recovery of leisure post covid and providing an attractive additional facility for bidders when the new leisure contract is procured in 2024.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. Not to proceed with the proposal and refurbish the existing dry change facilities as per the existing 2023/24 Capital programme. As there is limited use of the dry change facilities and of the squash provision, officers don't recommend this approach as it won't provide best value for money.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1. The relevant Executive Member for Environment and Leisure, the Service Director Resources and Executive Member for Finance and IT have been consulted and support the proposal.
- 5.2. On Thursday 16 June 22 a meeting was held with representatives of the North Herts Squash League who voiced their concerns about the proposal to remove the squash courts. However, our usage data shows there is adequate capacity with 2 courts even if usage increased.
- 5.3. A short online survey went live on 21 July 2022 until 21 August so that residents and users of the leisure centre could have their say on the proposal. The survey was promoted via both the Council's channels and through SLL. A total of 1191 people responded to the survey.
- 5.4. 91% of respondents to the survey either strongly agreed or were inclined to agree that the proposal to convert two squash courts and changing area into a soft play facility will be a positive addition to the facilities at North Herts Leisure Centre. 66% of respondents indicated that their family would be likely to use a soft play facility at the leisure centre at least fortnightly, or more frequently. 36% of respondents indicated that they would be likely to use a supervised drop off facility at least fortnightly.
- 5.5. The full consultation responses can be found at Appendix A.

6. FORWARD PLAN

- 6.1 This report contains a recommendation on a key Executive decision that was first notified to the public in the Forward Plan on 18 July 2022.

7. BACKGROUND

- 7.1. The leisure facilities have been making a steady rate of recovery since reopening in March 2021, following Covid restrictions, with usage recovery rates settling at 90%.
- 7.2 Officers have been working in partnership with Stevenage Leisure Limited (SLL) to explore new initiatives that will support recovery and increase physical activity levels in North Herts and take into account changes in use of facilities
- 7.3 This report details a proposal at North Herts Leisure Centre (NHLC) to convert the dry side changing rooms (utilised by sports hall users), accessible toilet, and two squash courts into a soft play area. The new provision would provide many benefits to both adults and children, attract a new customer base and support recovery with increased usage and income levels.

8. RELEVANT CONSIDERATIONS

- 8.1. The existing dry side changing rooms, located on the ground floor, are over sixteen years old and becoming in need of refurbishment. A £100k capital project to refurbish the areas is due to take place in 2023/24.

- 8.2 Over recent years customer trends have changed and dry side changing rooms are no longer seen as an essential provision for customers participating in dry side activities. The existing dry side changing rooms have very low use as most customers are now choosing to come activity ready. However, there are other changing areas readily available if required.
- 8.3 NHLC currently has four squash courts available to customers. On average there are 2184 available court sessions per month. 2021/22 data shows that only 18% of these sessions were booked by customers. During peak times (4pm-9pm) data shows 36% of sessions were booked by customers. The following table shows a monthly breakdown of 2021/22 usage data.

Month	Booked Sessions	Unused Sessions
Apr-21	105	2,079
May-21	246	1,938
Jun-21	270	1,914
Jul-21	229	1,955
Aug-21	254	1,930
Sep-21	264	1,920
Oct-21	367	1,817
Nov-21	369	1,815
Dec-21	322	1,758
Jan-22	543	1,641
Feb-22	489	1,695
Mar-22	435	1,749

- 8.4 Active Places Power, Sport England's interactive mapping and reporting tool states there are currently eight squash courts within the North Hertfordshire district.

Facility	No. of squash courts
North Herts Leisure Centre	4
Ickleford Sports and Recreation Club,	2
Letchworth Sports and Tennis Club	2

- 8.5 The above facilities have been contacted to get an understanding of their current availability. Feedback was that usage is at a similar level to NHLC with sessions available during off peak and peak times.
- 8.6 NHLC facilitates North Herts Squash League which currently has 36 members. Every Sunday a league is held at the centre using all four of the squash courts over a two-hour period. In recent months players have averaged between 5-6 per week.
- 8.7 Considering the current usage levels, the proposal to remove two courts would not have a negative impact on the existing two-hour playing time. However, if the leagues member attendance was to increase, the centre could provide extended hours, designated to the squash league, to accommodate them within the two remaining squash courts.

- 8.8 Due to the pandemic, the creche service operated from the Pembroke Studio was suspended. When the centre reopened, to enable social distancing, the fitness kit was spread into the Pembroke Studio. To support the recovery of leisure the kit has remained in this location and therefore the creche service remains suspended.
- 8.9 The new soft play provision would enable SLL to replace the creche with a 'drop off' service, for pre-school children, to customers whilst they use other areas of the facility. The operating costs of the drop off service are much lower than the standalone creche as staff can be utilised to work within both the soft play and drop off areas.
- 8.10 Each drop off session will be under two hours and therefore Ofsted registration is not required. As a minimum, staff supervising children will be qualified in early years practitioner (level 2) and have an enhanced DBS check. The age limits for children using the service will be 3-5 years old. In line with Ofsted, the maximum number of children per drop off session will be eight. Parents/ guardians must remain onsite when using the service.
- 8.11 The proposed pricing structure, for the drop off service, is in line with similar service offerings. Usage is expected on average to be at 80% occupancy.

Member	Non-Member
£6.00	£8.00

- 8.12 NHLC currently run a toddler session on a Tuesday in the sports hall. This session is run inside the sports hall and is aimed at pre-school children. The session consists of a bouncy castle and soft play equipment for a one hour session with parent / guardian followed by one hour in the pool. Usage data demonstrates there has been an increase in this activity since sessions restarted post-pandemic.
- 8.13 There is currently no soft play provision in Letchworth. Hitchin has two soft play centres - Space 2 Play and Little Rascals. Logans Den in Baldock is the geographically closest soft play, although it is small. There is also a large soft play facility, Bury Lane Farm, just outside of the district near Melbourn (past Royston), The Hive in Shefford and two large facilities in Stevenage.
- 8.14 Soft play has many benefits to both adults and children. Not only does it keep the children entertained and engaged both physically and mentally it also has the following benefits;
- Helps Support learning and development
 - Fun physical activity
 - Social awareness
 - Safe space for play
 - Catching up with friends for both adult and child
 - Benefits for reducing anxiety, loneliness and post-natal depression due to parents meeting new people in similar stage of life.
- 8.15 Appendix B provides a perspective view of the proposed soft play area. The design includes a baby and toddler area with the capacity of 35, a junior area with the capacity of 87.

- 8.16 In addition to the soft play area, a kiosk serving drinks and pre-packaged food, and seating area will be provided. The proposal includes table seating for approximately 60 people. A proposed floorplan on the area is shown in Appendix B.
- 8.17 The car park can become extremely busy from September to May when matches at both the rugby and football clubs take place. Car park improvements were made in 2016 to create an additional 92 spaces located on the rugby club site. As part of this development the Council, rugby club, football club and the Letchworth Garden City Heritage Foundation (LGCHF) agreed to terms that allow equal rights for all users to park where spaces are available in either of the car parks on the leisure centre site and the rugby club site.
- 8.18 The Council and SLL will continue to work with the clubs to look at initiatives such as car sharing for home and away players where possible to reduce pressure on the car park.
- 8.19 North Herts Leisure Centre was leased for 99 years on a full repairing lease, by the LGCHF, until 19th February 2081 on a peppercorn rent to North Herts Council. The Council have contacted the LGCHF to discuss the proposal and they are content the use will continue to fall within the provisions of the lease, i.e. as a Sports and Leisure Centre, so there will be no need for a change of use.

9. LEGAL IMPLICATIONS

- 9.1. Cabinet has within its terms of reference to approve those major service developments which also constitute Key Decisions (para 5.6.11), and to oversee the provision of all of the Council's services, other than those functions reserved to the Council (para 5.6.15).
- 9.2 The proposed steps are in accordance with the Council's legal powers to provide sports, leisure and recreational facilities, as it thinks fit, under S.19 Local Government (Miscellaneous Provisions) Act 1976. Although there is no express statutory duty to consult in relation to the provision of sport and leisure facilities, the Council has undertaken a consultation as detailed in section 5 above and Appendix A, in accordance with the principles of fairness and legitimate expectation.

10. FINANCIAL IMPLICATIONS

- 10.1. The initial project costs are detailed below:

Element	Circa £
Build Cost	£170k
Soft Play Equipment	£80k
Total Project Costs	£250k

- 10.2 The expected life of the soft play equipment is six years and therefore replacement will need to be included in the 2029/30 Capital programme.
- 10.3 The following table details the proposed charges for each 1 hour, 45 minute session.

Weekday Sessions (term time only)

Age	Charge
Under 1	£2.00
Age 1-4	£4.00

Age 5+	£5.00
Adults	£1.50

Weekend & School Holiday Session

Age	Charge
Under 1	£3.00
Age 1-4	£6.00
Age 5+	£8.00
Adults	£2.50

- 10.4. SLL have provided a conservative forecast for the proposal and would expect it to generate £50k additional surplus in the first financial year , and £60k per year thereafter.
- 10.5. Income generated from soft play will be treated under the main contract and therefore payable to the Council until SLL are in a position to fully pay the management fee. The Part 2 report provides further information on the basis for estimating these levels of net surplus.
- 10.6. The Council currently has on its 10-year Capital plan, a sum of £100k for the refurbishment of dry side changing. Therefore, the additional sum required from capital to redevelop and repurpose the area is £150k.
- 10.7. HMRC states that soft play centres provide “a leisurely pursuit or amusement activity” and do not have any sporting benefit so are not VAT exempt, therefore SLL will charge 20% VAT on the service. The charges specified above are inclusive of VAT, but the income forecasts are exclusive of VAT.

11. RISK IMPLICATIONS

- 11.1. The current levels of inflation mean that the capital costs could be higher than the forecasts detailed in paragraph 10.2. Any variation will be managed in line with the financial regulations. The estimated costs are based on recent quotations provided by construction contractors and soft play specialist.
- 11.2. Estimated demand and pricing is uncertain, but has been based on other similar facilities and have been reviewed by the manager of those facilities. However demand may be affected by high inflation reducing disposable income.
- 11.3. Secondary spend has not been included within the soft play forecast. It is expected that the soft play will help drive demand for catering and is therefore an additional opportunity to generate further income.

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 soft play will improve provision at the leisure centre for younger age groups. Squash is more likely to be played by older age groups and current usage data demonstrates players are unlikely to be negatively impacted by the removal of two of the four courts.

Sport England, a body of government responsible for developing sport and physical activity and getting people active, have been consulted on the proposal and have no objections to the removal of two squash courts as there will still be squash provision at the site.

- 12.3 The North Herts Squash League use all four courts on Sundays from 6pm-8pm with up to 10-16 players in attendance. The removal of two courts would negatively impact this current booking as capacity would be reduced. However, the League's members are free to utilise the remaining courts which will also be available to them at other times.

13. SOCIAL VALUE IMPLICATIONS

- 13.1. As the recommendations in the report relate to a contract above the EU threshold, Social Value will be incorporated in the procurement process.
- 13.2 The Public Services (Social Values) Act 2012 imposes an active duty on relevant contracting Authorities to consider the economic, environmental and social benefits that can be achieved through commissioning. It does so by requiring consideration of the improvements of economic, environmental and socio-economic of the procurement to wider society.
- 13.3 As detailed in item 8.14, there is tremendous scope and ergo it would be judicious to incorporate appropriate themes, outcomes and measurements in the procurement processes to ensure that the full scope of societal benefits is harnessed.
- 13.4 Finally, utilisation of the Scape Procure Regional Construction Framework ensures Social Value outcomes; for example, utilising a 'go local' approach to spend which benefits the local economy.

14. ENVIRONMENTAL IMPLICATIONS

- 14.1. An Environmental Impact Assessment has been undertaken. We recognise that there will be some negative impacts as a result of the soft play proposal, however the consultation with the public had an overwhelming positive response and therefore the project can proceed. Completing the assessment highlighted possible actions that can be explored to reduce the environmental impacts which include;
- Installing a second cycle rack
 - Purchase second hand/ upcycled café furniture
 - Install water saving toilets and taps
- 14.2 Future environmental projects at the leisure centres are being investigated, such as solar PV/ thermal, to reduce their overall environmental impact.

15. HUMAN RESOURCE IMPLICATIONS

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

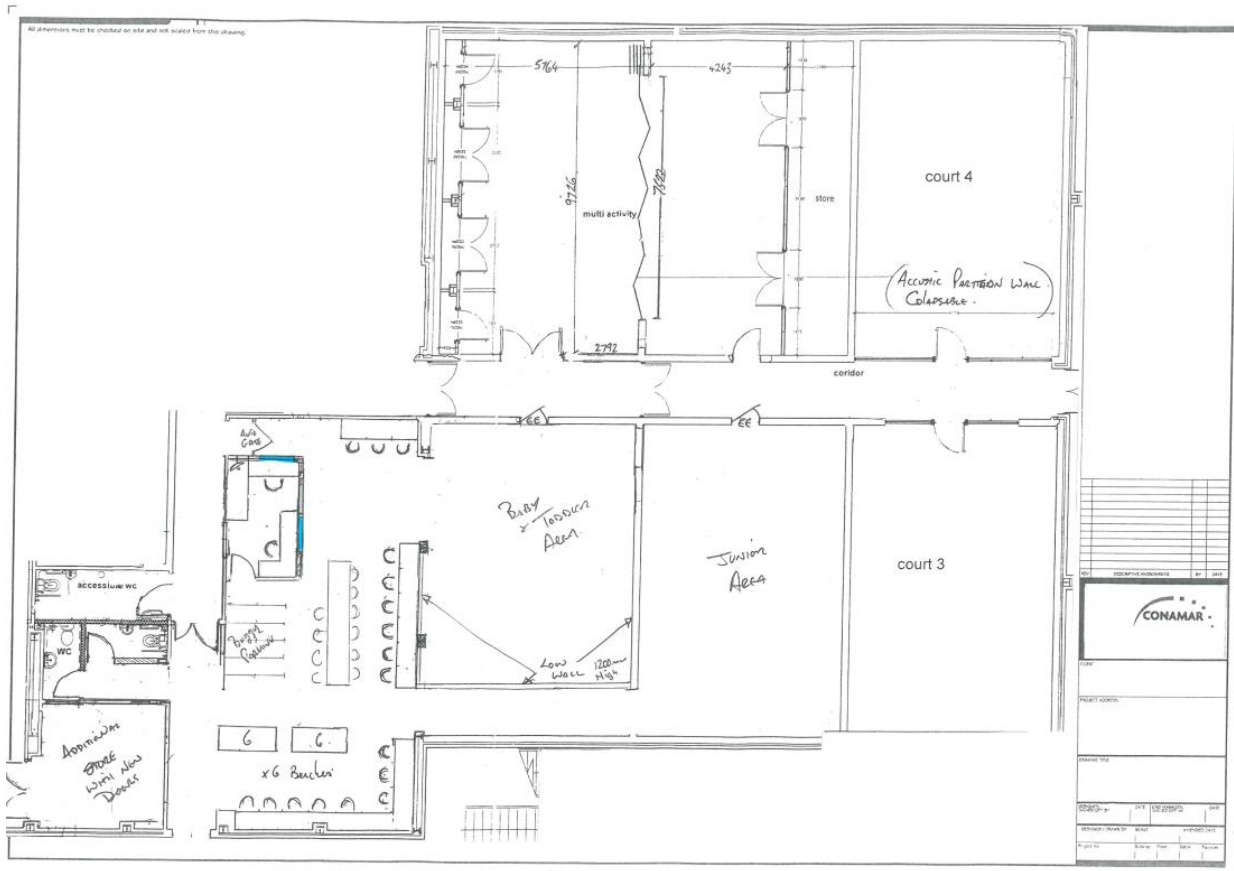
16. APPENDICES

- 16.1 Appendix A Consultation Results

16.2 Appendix B Soft Play Perspective View



16.3 Appendix C Proposed Floor Plan



17. CONTACT OFFICERS

- 17.1 Louise Randall, Leisure Manager
Louise.randall@north-herts.gov.uk Ext 4387
- 17.2 Sarah Kingsley, Service Director – Place
sarah.kingsley@north-herts.gov.uk Ext 4552
- 17.3 Ian Couper, Service Director - Resources
ian.couper@north-herts.gov.uk Ext 4243
- 17.4 Isabelle Alajooz - Legal Commercial Team Manager Deputy Monitoring Officer
Isabelle.Alajooz@north-herts.gov.uk Ext 4346
- 17.5 Georgina Chapman - Policy Officer
Georgina.Chapman@north-herts.gov.uk Ext 4121
- 17.6 Reuben Ayavoo - Policy and Community Engagement Manager
reuben.ayavoo@north-herts.gov.uk Ext 4212
- 17.7 Rebecca Webb - HR Services Manager
Rebecca.Webb@north-herts.gov.uk Ext 4481
- 17.8 Rizwan Sarwar - Procurement Officer
Rizwan.Sarwar@north-herts.gov.uk Ext 4392

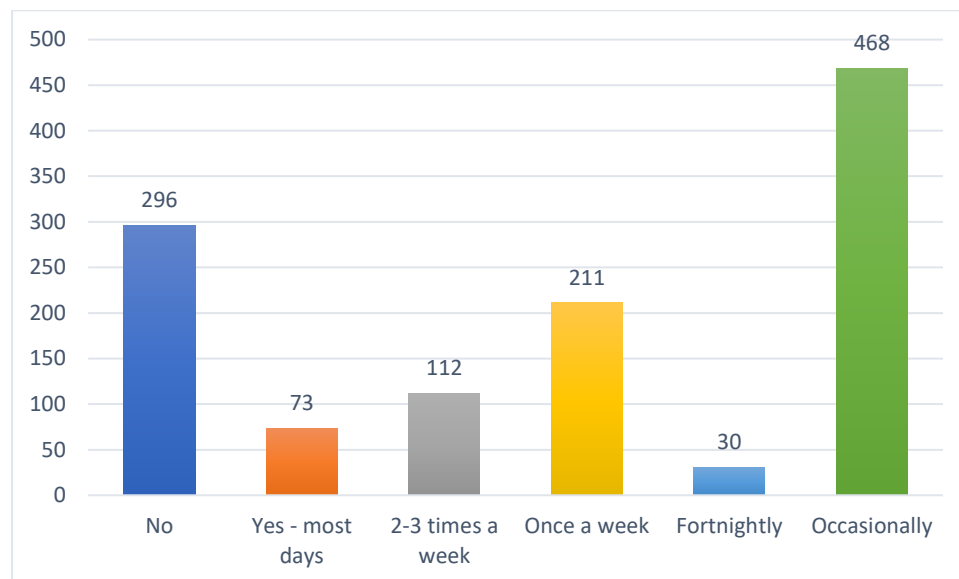
18. BACKGROUND PAPERS

- 18.1 None

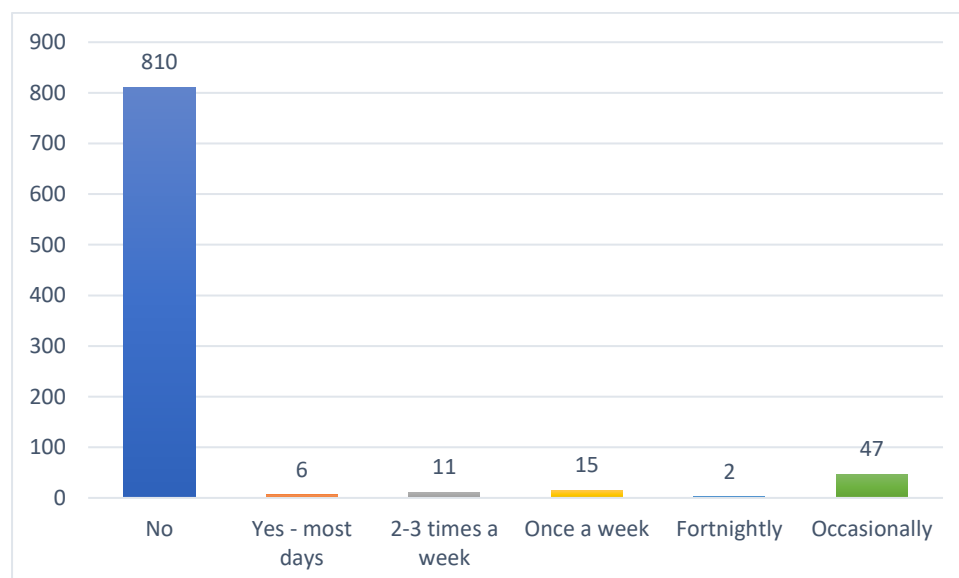
Soft play at North Herts Leisure Centre

1191 Responses 02:00 Average time to complete Closed Status

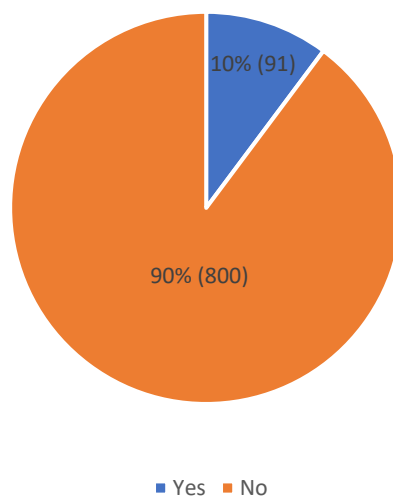
1. Do you currently use North Herts Leisure Centre (Baldock Road, Letchworth)?



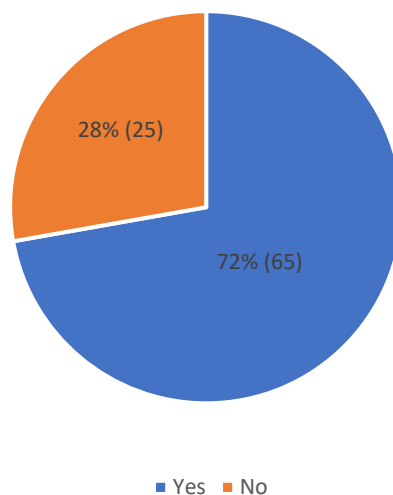
2. Do you use the squash courts at North Herts Leisure Centre?



3. Do you use the changing rooms located in the squash court area?



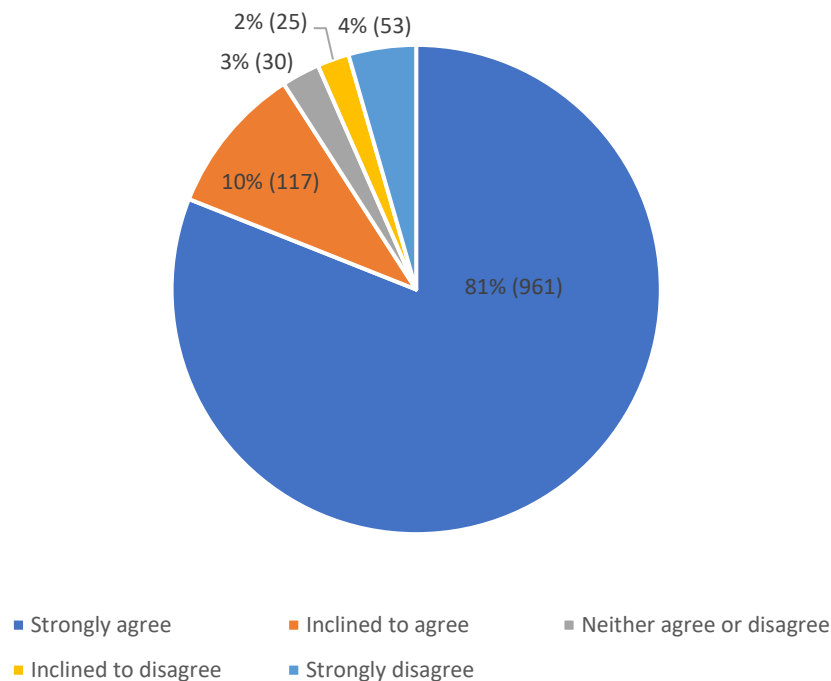
4. If yes, would you be happy to use alternative changing facilities in the leisure centre?



5. If no, please tell us why:

Open responses can be found in a separate appendix.

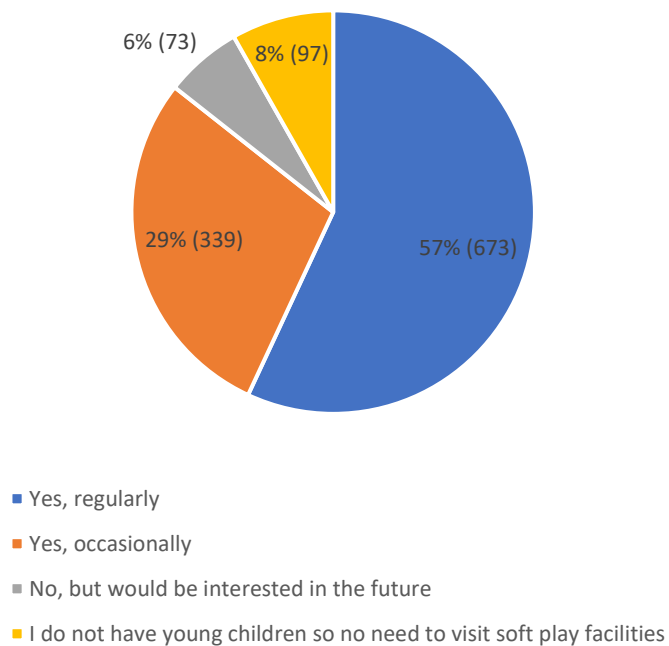
6. Please indicate if you agree or disagree with the following statement: The proposal to convert two squash courts and changing area into a soft play facility will be a positive addition to the facilities at North Herts Leisure Centre.



Please indicate if you agree or disagree with the following statement: The proposal to convert two squash courts and changing area into a soft play facility will be a positive addition to the facilities at North Herts Leisure Centre.	Percentage	Total respondents
Strongly agree	81%	961
Inclined to agree	10%	117
Neither agree or disagree	3%	30
Inclined to disagree	2%	25
Strongly disagree	4%	53

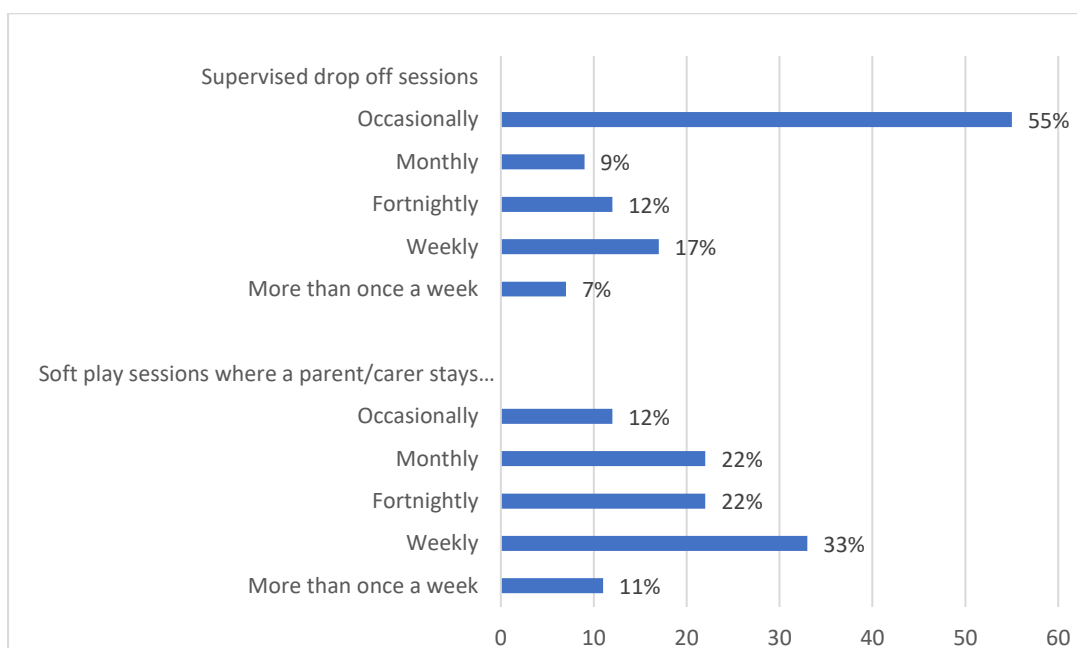
7. Please tell us why you disagree or strongly disagree:
Open responses can be found in a separate appendix.

8. Do you visit soft play facilities?

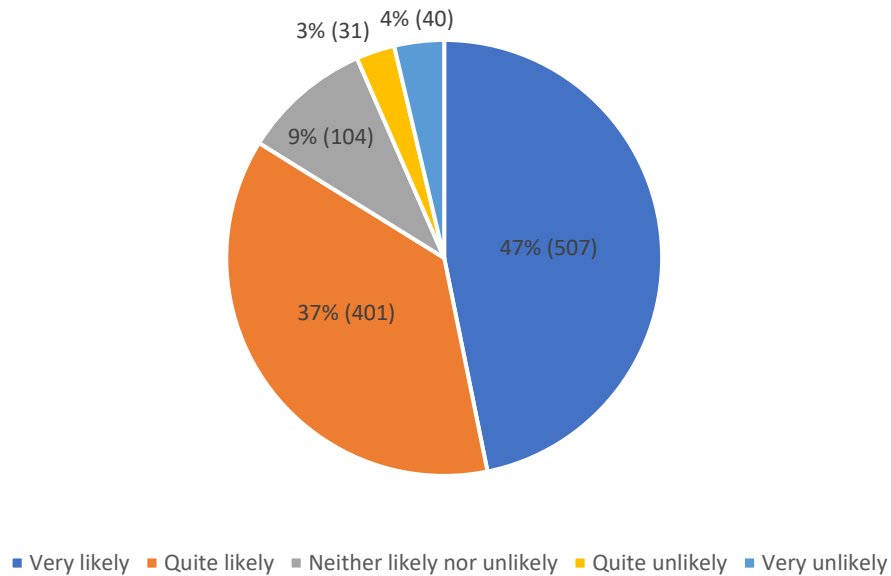


Do you visit soft play facilities?	Percentage	Total respondents
Yes, regularly	57%	673
Yes, occasionally	29%	339
No, but would be interested in the future	6%	73
I do not have young children so no need to visit soft play facilities	8%	97

9. Please indicate how often you think your family would use the following services:



10. We are considering hosting soft play party packages with catering included. Please indicate how likely or unlikely you would be to consider this as a future option for a child's party:



We are considering hosting soft play party packages with catering included. Please indicate how likely or unlikely you would be to consider this as a future option for a child's party:	Percentage	Total respondents
Very likely	47%	507
Quite likely	37%	401
Neither likely nor unlikely	9%	104
Quite unlikely	3%	31
Very unlikely	4%	40

North Herts Council soft play survey August 2022 – open ended responses.

Q5 – Please indicate why you wouldn't be happy to use alternative changing facilities on site– (22 responses):

Floor is often wet in swimming changing rooms and very busy. Showers terrible.

The Squash change rooms have been closed off for about 6 months and we've had to use the Member's change room which is too small and crowded, the showers run stop and then when restarted they run cold!

too busy

The swimming pool changing rooms are too crowded

Needs more room than you have to change children.

If you mean the members changing rooms then no if you closed them I wouldn't like to use the public swimming changing rooms, I would be happy to use members changing rooms in a different area though.

These are part of what I pay for

They are too far away as squash partner disabled

Too busy / too far

because they are good changing rooms.

I am disabled and sometimes use a wheelchair user. Those changing rooms are quiet and quite private. I use when disabled ones are all occupied, often by able bodied people "doing a quick change" I assume the two disabled changing rooms will go as well. The disabled changing and shower facilities in the swimming pool changing rooms are not ideal plus very public. The disabled shower and changing room in the members area, is frequently occupied and unavailable. If you can provide additional private wheelchair and disabled changing/shower facilities then I will use them. I find my catheter and incontinence appliances embarrassing and no one else really needs/wants to see them!

They are further away from the courts, smaller and in a Members area. They are crowded at times I wish to use them. The swim changing area has a wet floor, and I am unable to shower and keep an eye on my bag and valuables.

I appreciate the existing facilities proximity to the squash courts and that they are rarely crowded

These changing rooms are near the squash courts. They need a lot of work done to them. They are in dreadful condition and should not be passed as changing rooms by health checks. They have been in terrible condition for a very long while. Squash has been neglected sadly, and this is why you are losing squash players - not because demand isn't there.

(Other than that we are already required to do this), it sometimes feels a little inappropriate to have a shower in the swimming area completely naked when younger people are around.

The changing rooms are further away. The squash changing rooms are much more convenient

No

Keeping changing facilities near to the squash courts is fundamental.

The members changing rooms are a clean calm adult only environment which change the overall experience of the visit.

The other changing rooms on that level are always full of children getting changed for swimming.

Squash court changing rooms are spacious with large lockers, though not always clean I prefer this changing room. Members changing rooms are very hot, cramped and small lockers

though with non coin operated locking an improvement. Non members changing area is too busy with kids and left dirty most of the time

Shortage of changing Facilities. Also it is not unknown to have changing places out of action and then no other places to go. Also if there is an event like roller skating where do the team change. So by all means adapt some of the squash courts but leave changing facilities intact. By the way the water Temperature cannot be adjusted and is for me too hot

Q7 – Why do you disagree with the soft play proposal – (70 responses):

Less squash courts means less provision for team nights / competition in the future. Once there gone, there gone. Squash provision is poor at a state level locally. Soft play is everywhere. Less courts means less people playing squash because the courts are busy at certain times. So to quote 18% usage is not the full picture. At peak times with 2 courts will mean access will be less.

Although this may be commercially attractive to NHC & SLL, this would change the site dedicated to sport and fitness to a Children's play/party venue with an even longer queues at reception.

I'm not convinced there is sufficient demand for this facility that justifies financial outlay.

There are soft play areas around Letchworth. Also why get rid of squash courts and a changing area?

Rubbish idea

no one would use soft play

Young people need space to play squash. I used to play every week until I hurt myself. So replacing squash courts by soft play areas is not acceptable. Part of the sports hall can be sectioned for that purpose at certain times. We need a room for table tennis. So I would support that.

I think before introducing soft play, re think of expanding and adding more variety of gym equipment. The gym is small for the price we pay and have to wait for machines. There needs to be more to choose from and more room. Its like sardines in a can

There are enough soft play areas and facilities for children in Herts

Given the poor standards currently at the leisure centre the upkeep and cleanliness would be terrible/ disgusting.

The council doesn't seem to have any money for doing important things, like cutting hedges that are growing over roads-especially over lanes.

There are already plenty of soft play facilities in the county and kids should be encouraged to play outdoors

2 Soft plays available in Hitchin. Limited squash facilities in the area

I disagree because it will prompt and invite low lives and encourage anti social behaviour which we have more than enough of in this town

what a waste of an active leisure facility for adults. If converting to anything why not consider pickleball courts. There are already plenty of facilities for children.

There are other children's facilities around but very few squash courts

It takes the facilities away from restricted disabled users

I enjoy bringing my two children regularly to swim at this venue and I fear that making a soft play area will bring too much disruption . Changing rooms and toilet facilities are already too busy at certain times and parking can also be difficult . As long as provisions are made for this disruption to the rest of the facilities it should not be a problem .

Where are you supposed to then play squash if it's taken away. I don't want to travel to another centre for it.

Car park is already full and to many uncontrolled children in the corridors

Plenty of other soft plays around, space should be used for something else if squash is no longer popular.

The staff struggle to keep changing rooms clean wiv out adding more responsibility

Already lots of things for children to do. Money could be better spent elsewhere

The money should be spent improving the facilities already at the centre. It's tired and old and the changing rooms for the pool are disgusting

As a family we regularly use the swimming for childrens lessons. I recently looked around the gym to understand what facilities you have. I was surprised to see how quite the gym was and how few classes you have compared to gyms I previously was a member of. The Dry changing facilities are a huge selling point and I urge you not to remove these. Using a squash court as a fully equipped dedicated spin studio would be a huge benefit to the gym with regular spin classes during the day. Introducing a soft play would create a lot of noise which would impact your wellness classes where are calmer environment is advantageous. Crossing over of adult spaces and child spaces could potentially cause health and safety issues as well as dividing your specialist wellness focus to Children's entertainment. You would also need to take in to consideration the impact that the soft play may have North Hertfordshire soft play business. Some are small and independent with high overheads and small profit margins.

Already so many soft plays in the area

Parking already difficult

I enjoy playing squash

It's a leisure centre. You should be adding sports facilities, not taking them away.

there are enough soft play areas in the local region.

Soft play would exacerbate the parking issues already around the leisure centre especially at the weekend. Where would the additional parking for such a facility go? Leaving the existing car park with this increased capacity would mean that it is really difficult to come and exercise.

Parking is already a problem.

You are taking something primarily used by adults and converting it to become for kids. If there are people who gain regular enjoyment from the squash courts, I don't think that should be taken away from them. I have seen no marketing to get more people into the squash courts, only this suggesting we replace them. If this was a soft play facility that also catered to adults I could see it being fairer. Adult soft play is in high demand.

Why not do something for us oldies for a change? You charge us enough for our monthly payment to you, What might WE expect you to do for WE who have paid our Taxes, WORKED and earned OUR way to bring up OUR children.....let the young pay for their OWN soft play!

Because Council Funds could cover something more suitable for a better cross section of, including the older folk!

Although soft play at the leisure centre is a nice idea I believe that some of the empty units in the town could be made into soft play areas for kids and attract more people to the town centre

Too Many soft play in area already

Leisure centres are about sport facilities not soft play. Soft play is not a good use of space, time and money for the community as it does not benefit everyone only children.

There are enough provisions for children, the squash courts are valuable and not many elsewhere

Q9 - there is no option to say 'never' - the form forces me to say 'occasionally', so your survey results to this question are completely invalid as they force respondents to say that they will use a soft play area at least occasionally. You are removing squash courts, on the pretext of poor court utilisation. However poor utilisation is as a result of your courts being significantly more expensive than other local private facilities. The people who play 3-4 times a week are forced to play elsewhere because of the cost. If you had sensible pricing players would flood back, and there is a demand. You also make zero effort to market your squash facilities - if

you did the usage would increase. You treat the squash courts like 'Field of Dreams' - build it and people will play - but they need active marketing like you do for gym and swimming. There should be 'squash only' monthly memberships available and dozens would sign up to this if you offered it. The squash changing rooms and nearby toilets are in a disgusting condition, which is a big turn off for squash players and a big reason they play elsewhere. You have taken a decision to build a soft play area without attempting to build squash numbers post-covid.

I'm a squash player and having only 2 courts would make booking harder

Softball activities are for children to have fun and should not replace sporting and fitness opportunities for adults, ever

The limited space the squash courts will provide will not provide a suitable area for 2 indoor soft play areas. The artist impression is madness. There is no way you can fit 7 tables and soft play equipment on a squash court. If people want to go to a soft play centre there is a fantastic facility in Hitchin. Due to lack of space yours won't get close to this level. Once people have been to space 2 play they will be unlikely to come to yours. You would have spends tens of thousands of pounds of tax payers money on a 'white elephant' If you spent a fraction of this money on actually attracting people to play squash then you would improve the health of the local area. It is a Leisure Centre not a soft play centre. There is no promotion of squash in the club or externally. You could be running junior coaching, hosting competitions, linking up with local schools. Squash has been promoted as the healthiest sport possible. I'm my opinion you should be promoting it and increasing numbers not decreasing them.

The squash are used at the weekends and for squash leagues you will lose members if you lose the courts

I want to play squash more and reducing the facilities will make that harder and more expensive

I think losing another two squash courts will stop me from coming to the leisure centre, as I only really use the courts and I am a member because it is easy to get a court. This will not be the case if two more courts are lost.

There have been recently significant improvements made to the courts, but there is a lack of promoting squash at the leisure centre. Investing into conversion therefore seems to be somewhat misguided step that does not consider the option of promoting squash and offering more competitive pricing on squash bookings or squash only membership that would lead to increased utilization of courts. Removing courts will limit access to this sport for young people who are unlikely to be members of any private club and will hence have only a limited opportunity to get into squash.

Squash needs to be encouraged, perhaps with a price reduction as an incentive - maybe a 'squash only' membership option would help.

Please see my previous response re expensiveness and possible 'squash only' membership. I would however be happy for one of the four squash courts to be converted to soft play, to encourage kiddies who may in time begin to play squash or racketball. This latter sport should also be encouraged among adult users, as it is a much easier game to master as an alternative to the ruggedness of squash.

Want to be able to play squash! If you re-invested in improving the squash courts, there would be more people playing in them.

The squash courts at the leisure centre are a fantastic facility and a rare asset to public leisure centres these days. The courts are in good condition and provide an amenity to the local community. There are empty buildings locally that could be used by SSL if they want to develop a soft play business that would not negatively impact the other facilities they provide.

Squash courts here would be used a lot more if a few things were sorted out. Changing rooms, marketing, pricing being a few. QUESTION 9 BELOW DOES NOT ALLOW ME TO SAY "NEVER" SO THIS IS NOT A FAIR QUESTIONNAIRE.

The question below is very leading and will not provide reliable data - I occasionally use soft play facilities, but do not see the need for them to be provided at the leisure centre, and will not use them. This option is not catered for in the question below. There are very few squash

courts in the area already and are sometimes difficult to book up at peak times. The council should be encouraging people to undertake a wide range of sporting activity, not reducing this. Any reduction in sporting capacity will have an impact on the health and well being of the local population. The council does not need to be providing more soft play facilities in the local area - these can (and are) provided by the private sector.

Many reasons why i strongly disagree. Facilities are not currently maintained to a good standard. Some disgusting changing facilities. Adding an extra facility seems crazy when current facilities cannot be maintained to a good standard. Squash is a sport that has a demand from a variety of people for all ages. This should be something a leisure centre encourages. Lifelong participation in physical activity. Players will have not re-joined post COVID and this should actively marketed to improve this figure. Although courts have improved more people will want to play in the winter because of the nature of an indoor sport. Unfortunately, despite some improvements the courts were still very cold last winter so proper squash cannot be played on them. This should be addressed which would increase the appeal. Unfortunately there is a legacy of really uncared for not fit for purpose courts and this still exists with graffiti not being cleaned for months/years. Squash courts are unlikely to be rebuilt so when they are lost they tend to be lost. Some work should be done to try and save them first. The leagues are great and should be more actively advertised to all membership. Not just on that initial tour. Courts should also be cared for, cleaned and kept at appropriate temperatures to attract more able players. There are excellent well established leagues. Unfortunately players have been lost because of the reasons i have mentioned but that doesn't mean this cannot be fixed. The Sunday evening club night is also the best one i've been to and a huge selling point. This would be impossible to work with only 2 courts. Please do not go out of your way to destroy squash. Look after the courts and numbers will come back and utilisation increase. Apart from this question, some questions in this survey are incredibly leading. Supporting responses can therefore not be taken as valid. e.g Q7 i would use the service never but have had to answer occasionally.

We need to encourage sport in this country to avoid obesity. Stop closing sports facilities for money

Squash courts have been closed in Stevenage and Hitchin in recent years, and it can sometimes be difficult to get courts at peak times (I appreciate that they may not be as busy during non peak times, but surely this is true for other areas of the leisure centre as well). The leisure centre should focus on providing sporting facilities to improve the health and fitness of residents, not providing additional soft play areas.

Booking squash courts at peak times can be difficult already. I strongly disagree with the statement that reducing the number of courts by half "should not have a negative impact on existing users'. It absolutely will.

I disagree

Squash is an up and coming sport m, need more facilities not less,

Letchworth squash club is an established club providing a sports facility for the community, and enters teams in the herts and beds squash leagues. To destroy this removes a fantastic facility for local squash players. Surely there is room in Letchworth for both squash courts and soft play, why does it have to be one or the other???

Why remove squash courts when they are in use by many members? Perhaps we wrongly assume the local council supports health and well-being of individuals in the local area.

Not enough parking to accommodate noise and fried food smell is off putting in a gym

It is removing an option to generate real health and fitness for existing players and more importantly for potential new players.

I currently pay £460 per year to play squash at the facility. I work full time so can only play at peak times. If you take away 50% of the booking slots it will be impossible to play. Would you then reimburse me 50% of my membership fee?

I am 41 and was diagnosed with high blood pressure two years ago. I am making changes to my lifestyle to be healthier and in the last four months I have started to play squash at North Herts Leisure Centre (NHLC) 2-3 times a week. It is a brilliant sport to motivate you to get fit

and stay that way and I have found I am getting fitter and healthier as a result. The UK has an obesity epidemic and our government is introducing laws to ban the promotion of food high in salt, fat and sugar in shops to try and control how fat people are getting. The cost of obesity to the nation's purse is enormous. I firmly believe a leisure centre, particularly one operated on behalf of the public sector, should be investing in facilities that improve adult health and wellbeing, not removing them. If you convert courts one and two at NHLC into soft play areas that will be a permanent change. You cannot change them back to squash courts in future. A soft play area may be a good solution for SLL and may meet a genuine need in the community, but it should not come at the expense of permanently depleting the excellent squash facilities on offer at NHLC. One benefit of having four squash courts is the informal squash 'club' at NHLC which occupies all four courts on Sunday from 6-8pm which I attend each week. This means that 10-16 players can attend, playing short games and swapping opponents with rests in between. It is a great way to meet people, to motivate yourself to improve and play against lots of opponents of varying ability. If the number of courts available is halved, this will no longer be possible. I would find that a big loss personally. I am sure there are other people who are in a similar position to me who would benefit from taking up squash and using the facilities at NHLC. Squash is a game that people can and do play into their 70s and the squash courts should be seen as a way to offer people a way to maintain their health throughout their life. NHLC is also a place where young people can learn the sport without having to join a private club. Money will be a factor in your decisions about what to do with the courts at NHLC. I read on the Comet website (<https://www.thecomet.net/news/local-council/soft-play-plans-lethworth-9162476>) the squash courts are currently under-used at 18% occupancy. I note that this is equivalent to 42% occupancy if you only count realistic hours for most working people's bookings i.e. after 6pm on weekdays and at weekends. But squash bookings and income for SLL could be so much higher if energy went into marketing the NHLC squash courts. There is currently no marketing at all. The centre should have a squash only membership, which currently it does not have. I only use the leisure centre for squash and would definitely sign up to a squash only membership - for example at £25 a month. I estimate the squash courts at NHLC bring in around £12-13k a year based on occupancy of 18%. This could easily be doubled or even tripled if SLL were to do the following: Market its squash facilities (e.g. promotional emails and literature to users; price promotions; bonus for introducing a friend; a junior squash membership offer and price plan; work with England Squash to promote the facilities; Introduce a squash only membership of £25 a month; reduce squash court pricing to be more competitive with alternative facilities in the area (eg Muddy Lane Racquet Centre, Biggleswade etc) - at least to £10 for 45 minutes. Squash only membership of £25 per person per month would introduce the possibility of more guaranteed consistent income for the centre, with these figures topped up by bookings from occasional players. The bottom line so far as I can see is that SLL has some brilliant squash facilities on hand but has not attempted to do anything with them. They are an untapped resource and could both generate significantly more income for SLL and play a much greater role in offering the community health benefits.

Not sure if this will increase your revenue for the investment. Also it will be messy and loud with uncontrolled kids (more the lack of parenting sometimes) and put off some members to use centre at times. I feel they should bring the child creche back so mothers and grandparents can come back to the centre which is good for membership and mums mental health. Also the cafe may be used more after exercise when mums can meet up there. This also may be more affordable for families. I also worry that unless there will be more cleaning staff, the new planned play area will soon end up unhygienic and dirty.

See above. Decrease in changing facilities is a retrograde step

As a life long squash player (66 years old), I feel that the game deserves promotion, not extinction! What you are proposing is pandering to the idle masses who could do with getting off thier "X Box" and get healthier! PROMOTE THE GAME, DON'T DESTROY IT!

There are lots of other soft play options available privately but very few squash courts / sports facilities.

The centre should continue to offer sports facilities, not children's play facilities. Instead the centre should make more of an effort to promote squash, provide cleaner courts and showers, at a price which is not significantly higher than other local squash clubs. I was there playing this morning (Sat 20th August), all courts were in use and people waiting to come on after, so at busy periods all the courts are needed, obviously they won't have full use during daytimes when people are at work but this shouldn't reflect on reducing capacity when they are needed. It would be great if SLL can continue to support squash.
