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NORTH HERTFORDSHIRE DISTRICT COUNCIL

2 December 2022

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

Councillor Elizabeth Dennis-Harburg (Chair)
Councillor Ruth Brown
Councillor Ian Albert
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

on

TUESDAY, 13TH DECEMBER, 2022 AT 7.30 PM

Yours sincerely,

Jeanette Thompson
Service Director – Legal and Community

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Agenda
Part I

Item **Page**

1. APOLOGIES FOR ABSENCE

2. MINUTES - 13 SEPTEMBER, 25 OCTOBER AND 2 NOVEMBER 2022 (Pages 7 - 34)
To take as read and approve as a true record the minutes of the meeting of the Committee held on the 13 September, 25 October and 2 November 2022.

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
Climate Emergency
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. COUNCIL TAX REDUCTION SCHEME 2023/2024 (Pages 35 - 84)

REPORT OF THE SERVICE DIRECTOR – CUSTOMERS

To consider the proposed Council Tax Reduction Scheme for 2023/2024.

8. CLIMATE CHANGE STRATEGY 2022-2027 (Pages 85 - 114)

REPORT OF THE POLICY AND COMMUNITY ENGAGEMENT MANAGER

This report proposes a refreshed version of the Climate Change Strategy that was originally adopted in 2020 and amended in 2021. This refreshed version is The Climate Change Strategy 2022-2027.

9. EQUALITY, DIVERSITY AND INCLUSION STRATEGY 2022-27 (Pages 115 - 146)

REPORT OF THE POLICY AND COMMUNITY ENGAGEMENT MANAGER

This report proposes a refreshed Equality, Diversity, and Inclusion (EDI) Strategy and revised Equality objectives to comply with the specific duty to publish one or more as set out by the Public Sector Equality Duty 2010.

10. ALLOCATION OF DLUHC HOMELESSNESS GRANT (Pages 147 - 158)

REPORT OF THE SERVICE DIRECTOR – REGULATORY

This report details proposals for the allocation of this funding for specialist services and interventions for vulnerable single homeless people.

11. INFORMATION NOTE - UPDATE ON REFUGEE RESETTLEMENT (Pages 159 - 160)

INFORMATION NOTE OF THE STRATEGIC HOUSING MANAGER

To provide Cabinet with an update on refugee resettlement in the district.

12. NORTH HERTS MUSEUM STRATEGY 2022-2026 (Pages 161 - 178)

REPORT OF THE CULTURE AND FACILITIES MANAGER

This report requests approval and adoption of the new North Herts Museum Strategy 2022 – 2026

13. HALF YEARLY REPORT ON RISK MANAGEMENT (Pages 179 - 222)

REPORT OF THE SERVICE DIRECTOR – RESOURCES

To provide the Committee with an update on the effectiveness of the Risk Management Governance arrangements at North Herts Council.

14. DRAFT BUDGET 2023/24 (Pages 223 - 248)

REPORT OF THE SERVICE DIRECTOR – RESOURCES

For Cabinet to consider the latest forecasts in relation to funding, income and expenditure in relation to the revenue budget for 2023/24.

15. COMPLIANCE CONTRACT - COMMUNITY BUILDINGS (Pages 249 - 256)

REPORT OF THE SERVICE DIRECTOR – RESOURCES

To consider whether the Council should stop providing specific elements of the compliance service at Community Buildings, and therefore the community groups (either their staff or volunteers) would take them on.

16. COMPLIANCE CONTRACT - SINGLE TENDER (Pages 257 - 264)

REPORT OF THE SERVICE DIRECTOR – RESOURCES

To seek Cabinet approval to use a single tender process for the award of a contract to HTS Property and Environmental Limited Ltd for a property compliance contract.

17. CCTV CAMERA LOCATION REVIEW (Pages 265 - 274)

REPORT OF THE SERVICE DIRECTOR – RESOURCES

For Cabinet to consider and review the location of CCTV cameras, and make recommendations as to where cameras should be retained, removed or added.

18. SECOND QUARTER INVESTMENT STRATEGY (CAPITAL AND TREASURY) REVIEW 2022/23 (Pages 275 - 304)

REPORT OF THE SERVICE DIRECTOR - RESOURCES

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

19. Q2 UPDATE ON THE COUNCIL DELIVERY PLAN (Pages 305 - 330)

REPORT OF THE SERVICE DIRECTOR – RESOURCES

To report on progress made on the North Herts Council Delivery Plan.

20. SECOND QUARTER REVENUE BUDGET MONITORING 2022/23 (Pages 331 - 342)
REPORT OF THE SERVICE DIRECTOR – RESOURCES

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 second quarter.

21. 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).

22. CARELINE - IN-HOUSE PROVISION FOR COMPLEX INSTALLATION AND MAINTENANCE - PART 2 343 - 348
REPORT OF THE SERVICE DIRECTOR – CUSTOMERS

This report seeks Cabinet approval for the Careline service to expand the in-house installation and maintenance service to include complex installation and maintenance services alongside the non-complex services already provided.

23. CARELINE - IN-HOUSE PROVISION FOR COMPLEX INSTALLATION AND MAINTENANCE - PART 1 (Pages 349 - 352)
REPORT OF THE SERVICE DIRECTOR – CUSTOMERS

This report seeks Cabinet approval for the Careline service to expand the in-house installation and maintenance service to include complex installation and maintenance services alongside the non-complex services already provided.

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NORTH HERTFORDSHIRE DISTRICT COUNCIL

CABINET

MEETING HELD IN THE COUNCIL CHAMBER, DISTRICT COUNCIL OFFICES, GERNON ROAD, LETCHWORTH, SG6 3JF
ON TUESDAY, 13TH SEPTEMBER, 2022 AT 7.30 PM

MINUTES

Present: *Councillors: Councillor Elizabeth Dennis-Harburg (Chair), Ruth Brown, Ian Albert, Judi Billing, Keith Hoskins, Amy Allen, Steve Jarvis, Sean Prendergast and Tom Plater*

In Attendance: *Anthony Roche (Managing Director), Johanne Dufficy (Service Director – Customers), Jeanette Thompson (Service Director – Legal and Community), Sarah Kingsley (Service Director – Place), Ian Couper (Service Director – Resources), Louise Symes (Strategic infrastructure and Projects Manager), Nigel Smith (Strategic Planning Manager), Anne Banner (Benefits Manager), Geraldine Goodwin (Revenues Manager), Clare Skeels (Senior Planning Officer), Hollie Hawkins (Planning Officer), Christine Crofts (Communications Manager), Louise Randall (Leisure Manager), Chris Jeffery (Customer Service Manager), Laura Allen (Senior Planning Officer), James Lovegrove (Committee Member and Scrutiny Officer) and William Edwards (Committee, Member and Scrutiny Manager)*

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

104 APOLOGIES FOR ABSENCE

Audio recording – 29 seconds

Before proceeding with the Committee Agenda Items, the Chair made a statement regarding the passing of Her Majesty The Queen and the proclamation of the new King Charles III. The Chair provided Members the chance to give tributes, and held a minute's silence.

Following this, the meeting continued to consider the business on the agenda.

There were no apologies for absence.

105 MINUTES - 21 JUNE 2022

Audio Recording – 6 minutes 55 seconds

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

RESOLVED: That the Minutes of the Meeting of the Committee held on 21 June 2022 be approved as a true record of the proceedings and be signed by the Chair.

106 NOTIFICATION OF OTHER BUSINESS

Audio recording – 7 minutes 20 seconds

There was no other business notified.

107 CHAIR'S ANNOUNCEMENTS

Audio recording – 7 minutes 24 seconds

(1) The Chair welcomed those present at the meeting, especially those who had attended to give a presentation;

(2) The Chair advised that, in accordance with Council Policy, the meeting would be audio recorded;

(3) Members were reminded that this Council had declared a Climate Emergency. This was a serious decision and meant that, as this was an emergency, all of us, officers and Members had that in mind as we carried out our various roles and tasks for the benefit of our District.

(4) The Chair drew attention to the item on the agenda front pages regarding Declarations of Interest and reminded Members that, in line with the Code of Conduct, any Declarations of Interest needed to be declared immediately prior to the item in question.

(5) The Chair advised of a change to the agenda order and Item 19 would be taken following the conclusion of Item 8.

(6) The Chair requested that Members avoid making political comments at this meeting due to the period of national mourning.

108 PUBLIC PARTICIPATION

Audio recording – 8 minutes 46 seconds

There was no public participation at this meeting.

109 ITEMS REFERRED FROM OTHER COMMITTEES

Audio recording – 8 minutes 50 seconds

The Chair advised that referrals made from the Overview and Scrutiny Committee and the Finance, Audit and Risk Committee would be taken with their respective items on the Cabinet agenda.

110 2022 - 27 COMMUNITY CONSULTATION STRATEGY

Audio recording – 9 minutes 20 seconds

The Communications Manager presented the report entitled 'Community Consultation Strategy 2022-27' and provided Members with the following updates:

- Our 2022 District Wide Survey results from this year highlighted that residents views on their involvement and engagement by the Council has gone down since 2019, but this was understandable as much consultation work during this time had been focused on the pandemic response.
- This proposal is for a resident facing, community based consultation strategy and will involve explaining the consultation process to residents.
- There was a need to consult residents more regularly and increase the level of digital consultation happening. The pandemic had demonstrated that the local community was capable and willing to use digital means to be consulted.

- It was being explored whether a twice per annum District Wide survey could be launched, to give of the moment attitudes of residents.
- Having two way conversations, by sharing results and being transparent with these, was important and results of this and future surveys would be displayed on dedicated webpage.
- The strategy also acknowledged the need for face-to-face consultation led by Councillors at one-to-ones with residents, Town Talks and Surgeries.

Councillor Judi Billing noted that as Executive Member for Community Engagement she was happy with this strategy. It was good to see the proposals building on the digital developments that came from the pandemic, such as the whole street Zoom meetings.

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

RESOLVED: That Cabinet approved the Community Consultation Strategy for the period 2022-27.

REASONS FOR DECISION:

(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.

(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) Increased forms of digital consultation will enable us to reach a wider audience more frequently

111 DISTRICT WIDE SURVEY 2022

Audio recording – 15 minutes 09 seconds

The Communications Manager presented the report entitled 'District Wide Survey 2022' and advised Members of the following:

- 800 residents had been surveyed by phone earlier this year and results are largely in line with national trends and similar to previous survey results.
- In terms of areas of strength, satisfaction with North Herts as a place to live is very high and contrary to national trends, satisfaction with the Council is above national trends and has stabilised from the downward trend between 2013-2019, agreement that the Council offers value for money is above national levels and satisfaction with Waste and Recycling has seen a significant increase on the last survey results.
- Areas of focus include monitoring resident views of the running of the council, as the percentage that think it is getting worse is larger than the percentage who think it is getting better. The top three themes from residents feedback were: a) improving the look of a local area, b) improving street cleaning and c) improvement in communications that are clear and transparent.
- Satisfaction with street cleaning, benefits and housing services have all recorded their lowest levels in this survey.
- For those residents who have recently made contact with the Council, satisfaction with the service received was at its lowest on record and dissatisfaction to the highest.

- In terms of areas to explore further, satisfaction scores on whether the Council 'consults and engages the community' are to be addressed through the Community Consultation Strategy 2022-27.
- Royston residents provided the lowest score with regard to the Council offering value for money and similarly scored lower than the rest of the district when it came to the Council involving, consulting and engaging residents, so worth monitoring this.
- Potential new forms of customer contact, including a 'live chat' option on the Council website', were another area for the Council's Customer Service team to explore.

Councillor Ruth Brown advised that the trend in Royston residents has been ongoing for many years and there is a section of the community that feels distant from North Herts, mainly due to the location of the town near South Cambridgeshire border and the open countryside space between it and other towns in North Herts. She hoped that developing the Place narrative would help the Council rectify these issues.

In response to a question from Councillor Keith Hoskins, the Communications Manager advised that they would need to look into whether there was a correlation between the decline in public satisfaction with services and the staffing availability due to the pandemic and would report back outside of the meeting.

The Chair noted that this information would be helpful for Councillors, as a narrative could be built around this. The Chair thanked the Communications Manager for the work put into conducting the survey and the presentation of the results for Members to action.

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

RESOLVED:

(1) That Cabinet commented on and noted the key findings and observations from the District Wide Survey.

(2) That Cabinet noted the results will be considered by the Leadership Team in conjunction with the Executive Members and an action plan produced.

REASON FOR DECISION: 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.

112 3Cs POLICY UPDATE

Audio recording – 24 minutes 13 seconds

The Customer Service Manager presented the report entitled '3Cs Policy Update' and advised Members of the following:

- The report detailed the updated 3Cs Policy, which was due for renewal in September 2022. Included in the appendices was the Complaints Flowchart and the Unreasonable Complainants policy.
- The overall 3Cs policy had been strengthened through this update and the word was updated to be as customer friendly as possible.
- Major changes to the policy had been detailed at point 8.1. Other updates were generally to the look and feel of the document.
- The Unreasonable Complainants (& Contact) Policy had been audited by SIAS and benchmarked against policies from other authorities and was deemed to be suitable for its purpose. It was not expected that this policy would be used frequently.
- The Overview and Scrutiny Committee had reviewed the policy and were happy to support the changes.

- The days to respond would be standardised to 10 working days across the document, and this would be updated and communicated to staff.

The Chair commented that the document was more accessible and more customer friendly. It provides details of what is not a complaint and removing the more difficult policies away from the main Customer Service Strategy was positive.

Councillor Steve Jarvis noted that this was an impressive document, which was clear and easy to understand, and went above and beyond other local authorities. He noted that 10 working days seemed a short period to respond and suggested that this could be extended to 20 working days, as is the case at other authorities, and that escalation to Stage 2 could be extended to 28 days. This would ensure that the policy is not set up to fail by setting unachievable targets.

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

RESOLVED:

(1) That Cabinet adopted the Updated 3Cs Policy, Appendix A – Complaint Flow Chart and Appendix B – Unreasonable Complainant (& Contact) Policy.

(2) That Cabinet agree to delegate any minor changes in relation to the 3Cs policy to the Service Director – Customers in consultation with the Executive Member for the Customer Service Centre.

REASONS FOR DECISIONS:

(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.

(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) The updates ensure the Council has a robust policy to refer to when required, and customers are clear on how the policy works.

(4) The policies and associated report have been seen by the Overview and Scrutiny Committee on 06 September 2022.

113 FIRST QUARTER INVESTMENT STRATEGY (CAPITAL AND TREASURY) REVIEW 2022/23

Audio recording – 31 minutes 20 seconds

The Executive Member for Finance and IT presented the report entitled 'First Quarter Investment Strategy (Capital and Treasury) Review 2022/23' and noted the following for Members:

- Table 2 in the report detailed the capital schemes which had been delayed.
- Table 3 in the report detailed the cost changes in the capital schemes, as some of these had come in above budget and therefore needed a decision by Cabinet before proceeding.
- Playground renovations are forecast to exceed the current budget, the majority of this shortfall can be found from Section 106 money.
- The Solar Thermal scheme in Royston was set to come in at £20k over budget.

- Work on the boilers at the outdoor pools started and engineers identified further works required. The works were completed due to the additional costs of delaying the works.
- Treasury returns were increasing, but still significantly below inflation.

The Chair of the Finance, Audit and Risk Committee advised that the last meeting was attended by the Independent Member for the first time, who asked several detailed and important questions. He noted that the Committee had approved that report be recommended to Cabinet at its meeting.

In response to a questions from Councillor Ruth Brown, the Service Director – Resources advised that, whilst work had not been untaken to assess this, it was expected that there would be an additional benefit to the investment in Solar Thermal in Royston, as energy would be saved that would have been at a higher cost.

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

RESOLVED:

(1) That Cabinet noted the forecast expenditure of £12.252M in 2022/23 on the capital programme, paragraph 8.3 refers.

(2) That Cabinet approved 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.

(3) That Cabinet noted the position of the availability of capital resources, as detailed in table 4 paragraph 8.6 and the requirement to keep the capital programme under review for affordability.

(4) That Cabinet noted the position of Treasury Management activity as at the end of June 2022.

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.

114 FIRST QUARTER REVENUE BUDGET MONITORING 2022/23

Audio recording – 37 minutes 15 seconds

The Executive Member for Finance and IT presented the report entitled 'First Quarter Revenue Budget Monitoring 2022/23' and advised Members of the following:

- Table 3 highlighted the variances, which were predominantly due to the Covid 19 recovery and inflation impacts.
- In the past it has been in the Council's interest to enter into a business pool rate and it was expected the Council would enter into this again if the opportunity became available.
- It was important for Members to note some of the larger variances detailed in the report.
- Leisure centre recovery was proceeding well and the return from Stevenage Leisure Limited was expected to be larger than predicted.

The Chair of Finance, Audit and Risk Committee noted the Committee had a lively debate around this item, but had no further comments to add.

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

RESOLVED:

(1) That Cabinet noted this report.

(2) That Cabinet approved the changes to the 2022/23 General Fund budget, as identified in table 3 and paragraph 8.2, a £559k decrease in net expenditure.

(3) That Cabinet noted 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.

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

REASON FOR DECISIONS: 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.

115 COUNCIL DELIVERY PLAN Q1 UPDATE

Audio recording – 40 minutes 35 seconds

The Executive Member for Finance and IT presented the report entitled 'Council Delivery Plan Q1 Update', alongside the referral from Overview and Scrutiny Committee, and advised of the following updates:

- The Overview and Scrutiny Committee overall approved the document and liked the new format.
- They had requested further information on the milestones related to each of the projects detailed and Officers were working on including this in future reports. However, there needed to be a balance on the level of detail provided in the report.
- There were 13 milestones which required the Cabinet to approve changes and these were detailed in the report.
- The Shared Prosperity Fund and Churchgate would need to be added to the report.
- The Electric Vehicle Chargers for Council vehicles can be removed following completion.
- This report aligns with the Council Plan and is a key document, albeit in its early stages and remains a work in progress. It was hoped that colleagues in Cabinet and the Overview and Scrutiny Committee would appreciate this regular update.

The Chair noted that this was an excellent document which was very accessible and would allow for better scrutiny from Members.

Councillor Steve Jarvis noted that it should be the Shared Prosperity Fund in the recommendations, not Shared Propensity Fund as written.

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

RESOLVED:

(1) That Cabinet noted the progress against Council projects as set out in the Council Delivery Plan (Appendix A) including changes to milestone dates and risks.

(2) That Cabinet confirmed the completion of one of the Council projects.

(3) That Cabinet confirmed the addition of two new Council projects, which are the Shared Prosperity Fund and Churchgate.

REASON FOR DECISIONS: 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.

116 MEDIUM TERM FINANCIAL STRATEGY

Audio recording – 44 minutes 38 seconds

Councillor Ian Albert presented the report entitled 'Medium Term Financial Strategy' and provided Members with the following updates:

- The strategy itself was included at Appendix A and this, alongside the report, was focussed on the recovery from Covid impacts and inflation, alongside uncertainty over future waste costs and general funding.
- The Council has high levels of reserve funds and the more significant budget decisions can be delayed until there is more certainty regarding future funding.
- In the meantime the Council will need to reduce costs and generate income where possible, not make decisions that increase costs and be ready to make difficult decisions.
- Other areas explored when compiling this strategy were inflation affecting contractor services, pay inflation and the Council Tax Reduction Scheme.
- There has been a philosophy of cost recovery on fees and charges instilled in this strategy.
- There is likely to be a new funding formula for 2025/26.
- This is a cautious and prudent strategy, maybe with the potential to make small, one-off investments following appropriate and careful consideration.

Councillor Terry Tyler, as Chair of the Finance, Audit and Risk Committee, noted that the Council may have to start to look in 2024/25 onwards at service changes to deliver a balanced budget, but there were positive actions, such as looking at how the Council can generate more income. He advised that FAR Members agreed to refer this to Cabinet for consideration.

Councillor Tom Plater noted that this was a good strategy and it was good to see the proposal to sell of surplus land for green housing.

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

RECOMMENDED TO COUNCIL: That Cabinet recommended to Full Council the adoption of the Medium Term Financial Strategy 2023-28 as attached at Appendix A.

REASON FOR REFERRAL: 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.

117 PROPOSED INCREASE IN PARKING TARIFFS

Audio recording – 50 minutes 26 seconds

The Executive Member for Planning and Transport presented the report entitled 'Proposed Increase in Car Parking Tariffs 2022-23' and provided Members with following updates:

- There was 2% budgeted in the Medium Term Financial Strategy to be applied to car parking charges, in reality the detailed increases in the report amount to around 1.9%.
- It was felt that, with the increases in cost of living, rather than increasing tariffs across the board by 2%, there would be specific increases on 1-hour charges which had not been increased since 2019.
- Feedback had been circulated from stakeholders provided in a supplementary document.
- North Herts Council proposed that any 'Free after 3pm' schemes be ticketed to allow for data collection.
- The timeline for feedback was tight and it was not possible to report on this at the relevant Area Committees, but all of the Chairs of these committees had been consulted.
- Proposed amendments to the recommendations to make all 1-hour parking in Royston be charged at 70p and for St Martin's Road car park in Knebworth be changed to 35p for 30 minutes and 70p for 1-hour parking.

Councillor Ian Albert proposed a further amendment regarding the Hitchin charges, which would make all long stay car parks charge £1.30 after 3pm and all short stay car parks charge £1.50 after 3pm.

Councillor Brown advised further that the aim of raising the 1-hour charge is that it would encourage people to stay longer and travel less.

Councillor Judi Billing advised that whilst it was not ideal that Area Committees were not consulted directly, but there were modern ways for the relevant Chair's to make contact with their Members without the formal meeting.

Councillor Elizabeth Dennis-Harburg noted that four of the five Area Committees were represented at the Cabinet meeting.

Councillor Ian Albert noted that increases in Car Parking Tariffs would never be welcomed, but these proposals have tried to be supportive and as limited as possible, for example there would be no increase in season ticket prices.

In response to a question from Councillor Judi Billing, the Executive Member advised that there was no requirement for tickets currently in the car parks running a 'free after 3pm' scheme. But the BID, District Council and County Council all funded this scheme and the data used to support it was significantly out of date. The BID had raised concerns about the enforceability of requiring a ticket to be 'purchased' after 3pm, but it was felt that while there were downsides to the scheme, overall the data collected would be beneficial.

Councillor Steve Jarvis commented that he was sympathetic to the proposals and most people would not pay more under these. It would be difficult to encourage people to take a free ticket and therefore the data collected may not be accurate. A better proposal may be to run sample counts at the affected car parks to collect data.

Councillor Sean Prendergast agreed with the overall balance of the proposals, but also questioned the benefit of requiring a free ticket after 3pm.

Councillor Keith Hoskins advised that previously the Hitchin BID had brought in a 'free after 3pm' scheme, but were required to make payments to the Council for this. Therefore they undertook a count at specific car parks to establish usage, and this was conducted by local students.

The Chair noted that overwhelmingly the comments from Members were against the requirement for a free ticket after 3pm and therefore, with the unanimous consent of Members, this recommendation would be removed.

Members agreed unanimously to the amendments proposed by Councillor Brown regarding Royston and Knebworth car parking charges, and Councillor Albert regarding Hitchin.

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

RESOLVED:

(1) That Cabinet agreed to adopt the proposed off-street car park tariffs for 2022/23 as set out in Tables 1 to 7 at Appendix A, with the following amendments:
   a. Princes Mews, Royston car park to be kept at 70p for 1 hour parking, in line with the increased price at other Royston car parks.
   b. St Martin's Road, Knebworth car park to be 35p for 30 minutes and 70p for 1 hour parking.
   c. In Hitchin, all Long Stay car parks to be £1.30 after 3pm and all Short Stay car parks to be £1.50 after 3pm.

(2) That Cabinet agreed 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.

(3) That Cabinet agreed not to increase the charges for resident permits, visitor permits, business permits or visitor tickets for resident permit zones for 2022/23.

(4) That Cabinet agreed that the proposed tariff changes, as recommended in paragraphs 2.1 as amended 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.

(5) 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.

REASON FOR DECISION: 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.

118 INFORMATION NOTE ON ASYLUM DISPERSAL AND REFUGEE RESETTLEMENT SCHEMES

Audio recording – 73 minutes 47seconds

The Executive Member for Housing and Environmental Health presented the 'Information Note on Asylum Dispersal and Refugee Resettlement Schemes' and advised of the following:

- The Home Office announced in spring 2022 that all Local Authorities would be expected to participate in the full dispersal scheme regarding asylum seekers.
- The Home Office would be procuring private rented housing across all areas for use for dispersal.

- Initial authority allocations are expected to be 97 by December 2023, based on a straight percentage share.
- Private rental sector in this area is already stretched and it is difficult to see where additional private rented properties would be found.
- Consequently this will impact the properties available to support homeless people and will increase private rents of available properties. This will also impact local services available.
- North Herts has so far resettled 10 Syrian families, which equates to 50 individuals, and a further 2 Syrian families, 10 individuals, were expected in the coming months.
- In 2021-22 there were 10 individual Afghans provided accommodation by settle.
- A meeting has taken place with the CEOs of Eastern regional Local Authorities and a further meeting will take place to agree a regional plan for the dispersal.
- A further Cabinet report will be produced when further details of the scheme have been confirmed.

In a response to a question from Councillor Ian Albert, Councillor Prendergast advised that it was too early at this stage to comment on possible budgetary requirements, until the regional plan is agreed.

119 DRAFT DEVELOPER CONTRIBUTIONS SPD

Audio recording – 78 minutes 47 seconds

The Executive Member for Planning and Transport presented the report entitled 'Draft Developer Contributions SPD' and provided Members with the following updates:

- An SPD was a Supplementary Planning Document and was produced as a suite of documents to sit alongside the Local Plan.
- The Local Plan Inspector's Report has now been received and examination has closed on this and a date will be set for this to be considered at Full Council.
- A number of changes were required to the SPD from its initial production in 2020, these centred around Greenspaces, First Homes, biodiversity gains and Levelling Up. Full details were provided at 8.2 in the report.
- The recommendation was for this to be put out for public consultation for 5 weeks.
- The Community Infrastructure Levy (CIL) had been explored previously and was last discussed in 2021 where it was agreed to maintain Section 106. It was expected that there would be changes made to the CILs and therefore, without confirmation of these changes, it was difficult to adopt.

In response to a question from Councillor Keith Hoskins, Councillor Brown advised that there was some discussions about whether CILs would be more lucrative and it certainly would not be for larger sites. Given the changes proposed in the Levelling Up policy, which included a mandatory Infrastructure Levy, it would not be worthwhile changing at this point.

In response to a question from Councillor Steve Jarvis, the Senior Planning Officer advised that there was a section in the draft SPD which covers the biodiversity net gain and would require a biodiversity net gain of 10% by 2023. This is outlined and details of reporting were included in the SPD. There is no target included in the Local Plan, as this is not mandatory, until required by the Environment Act 2021.

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

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

REASON FOR DECISION: 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.

N.B. Following the conclusion of this item, the Chair allowed for a 5 minute comfort break.

120 PROPOSED CONSERVATION AREA AT CHESFIELD

Audio recording – 96 minutes 27 seconds

The Executive Member for Planning and Transport presented the report entitled 'Proposed New Conservation Area for Chesfield Park' and provided Members with the following updates:

- This was part of the wider reviews of conservation areas across the district and this was a proposed new conservation area.
- A consultant had explored the area and have drawn up the proposals attached in the report.
- The recommendation is to send this for public consultation in October and November 2022.

Councillor Ruth Brown proposed and Councillor Judi Billing seconded and, following a vote, it was:

RESOLVED:

(1) That the draft CAAMP for the proposed conservation area around Chesfield Park was noted.

(2) That approval was 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.

REASON FOR DECISIONS: 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.

121 ARTICLE 4 DIRECTIONS

Audio recording – 97 minutes 50 seconds

The Executive Member for Planning and Transport presented the report entitled 'Making of an Article 4 Direction for the District's Primary and Secondary Shopping Frontages' and advised Members of the following:

- Government rules around change of use from Class E to Class C3, from commercial to residential, would make it easier for this to happen to non-listed buildings.
- These proposals are to protect the businesses and retail in the town centres.
- The current Article 4 requirements expired in July 2022. There was no intention to extend this, but rather to make an Article 4 Direction for each of the town centres to ensure that any move from commercial to residential would have to come through Planning.
- The proposals were for an immediate Article 4 Direction, which would remove the Permitted Development Rights and the consultation would follow.
- This proposal was supported by the relevant BIDs and the Letchworth Garden City Heritage Foundation.

Councillor Tom Plater noted that he was in favour of these proposals and it was good to see this applied immediately to protect the town centres and aid their recovery from the impacts of Covid 19.

Councillor Ruth Brown proposed and Councillor Keith Hoskins seconded and, following a vote, it was:

RESOLVED:

(1) That Cabinet endorsed the overall approach to Article 4 Directions set out in the report.

(2) That Cabinet approved 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).

(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.

(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.

REASONS FOR DECISIONS:

(1) The new Article 4 Directions relate to change of use from Use Class E (commercial, business and services) to Use Class C3 (dwellinghouses).

(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) 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.

(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.

122 COUNCIL TAX REDUCTION SCHEME 2023/23

Audio recording – 101 minutes 46 seconds

The Executive Member for Finance and IT presented the report entitled 'Council Tax Reduction Scheme 2022/23', alongside the referral from Finance, Audit and Risk Committee, and advised of the following:

- The comments provided by Finance, Audit and Risk Members were welcomed and they supported the principles of the scheme.
- The scheme proposed here is not common amongst other authorities and Finance, Audit and Risk requested the ability to review this once implemented.
- The Council Tax Reduction scheme had not been fully reviewed since 2013.
- There was expected to be an increase in costs and this was being consulted with Preceptors involved.
- The recommendation also includes a requirement to hold a public consultation, which would take place alongside key partners, such as Citizens Advice.
- A number of iterations had been explored and this would be further reviewed before the proposals are brought back to Cabinet in December, and then onto Council in January 2023 for consideration.

Councillor Ruth Brown thanked the Executive Member and all Officers who had worked on this proposed scheme. She supported the aims of the scheme to provide further support for those most in need and simplifying the process, and anything the Council can do to support the lowest income families should be done. She noted that the impact of the cost of living had been highlighted at the North Herts Citizens Advice AGM.

Councillor Judi Billing advised that she and Councillor Albert had met with representatives from North Herts Citizens Advice, who had provided updates on where the support was most needed.

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

RESOLVED:

(1) That Cabinet noted 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) That Cabinet noted 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.

(3) That Cabinet noted the aim of the review is to introduce a new scheme that will:
   a. enable us to increase the overall level of support for the lowest income households;
   b. reduce the administrative burden placed on the Council following the introduction of Universal Credit whilst also;
   c. make the scheme easier for our customers to understand and calculate entitlement.

(4) That Cabinet noted 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%.

REASONS FOR DECISIONS: To ensure that the Council has a fit for purpose Council Tax Reduction Scheme that:
   a. Provides the greatest support to the lowest income households.
   b. Reduces the administrative burden that has been placed on the Council since the introduction of Universal Credit (UC).
   c. Is simple to understand, meaning that customers will be able to calculate entitlement and assess the impact of potential changes in circumstances.

123 EXCLUSION OF PRESS AND PUBLIC

Audio recording – 107 minutes 40 seconds

RESOLVED: That under Section 100A of the Local Government Act 1972, the Press and Public be excluded from the meeting on the groynds 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).

124 SOFT PLAY INVESTMENT AT NORTH HERTS LEISURE CENTRE - PART 2

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.

125 SOFT PLAY INVESTMENT AT NORTH HERTS LEISURE CENTRE - PART 1

Audio recording – 115 minutes 35 seconds

Councillor Steve Jarvis presented the report entitled 'North Herts Leisure Centre Soft Play Investment' and advised Members of the following:

- Over the years several changes have been made to North Herts Leisure Centre to make it more suitable for users.
- This proposal is to repurpose two squash courts and changing rooms to be converted into a soft play area.
- There are currently four squash courts on site and these are significantly underused, with around 18% of capacity used throughout the week, with occasional peaks. Under this proposal two squash courts would remain.
- There was some previous concern about keeping the poolside changing rooms clean for dry-side users, and it is expected that cleaning will be doubled on site. There would still be one dry-side changing room.
- There has been an extensive consultation, with responses overwhelmingly in support of the proposal.
- Income is predicted of £50k in first year, and £60k in subsequent years.
- There was capital allocation for renovation of the changing rooms and this money will now be moved to this soft play scheme.
- These proposals will benefit users and allow more people to use the leisure centre.

In response to a question from Councillor Ruth Brown, Councillor Jarvis advised that the amount in total was £250,000.

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

RESOLVED: That Cabinet considered and agreed the soft play investment proposal.

RECOMMENDED TO COUNCIL:

(1) That Council make the addition of £150k to the Capital programme in 2022/23.

(2) That Council 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.

REASONS FOR DECISIONS:

(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.

(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.

The meeting closed at 9.31 pm

Chair

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

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NORTH HERTFORDSHIRE DISTRICT COUNCIL

CABINET

MEETING HELD IN THE COUNCIL CHAMBER, DISTRICT COUNCIL OFFICES, GERNON ROAD, LETCHWORTH ON TUESDAY, 25TH OCTOBER, 2022 AT 6.00 PM

MINUTES

Present: *Councillors: Councillor Elizabeth Dennis-Harburg (Chair), Ian Albert, Judi Billing, Steve Jarvis, Sean Prendergast and Tom Tyson*

In Attendance: *Abigail Hamilton (Committee, Member and Scrutiny Officer), James Lovegrove (Committee, Member and Scrutiny Manager), Sarah Kingsley (Service Director – Place), Ian Couper (Service Director – Resources), Chloe Hipwood (Shared Service Manager – Waste Management)*

Also Present:

At the commencement of the meeting there were no members of the public

126 APOLOGIES FOR ABSENCE

Audio recording – 1:40

Apologies for absence were received by Councillors Ruth Brown, Keith Hoskins, Tom Plater and Amy Allen

127 CHAIR'S ANNOUNCEMENTS

Audio recording – 2:08

(1) The Chair welcomed those present at the meeting, especially those who had attended to give a presentation;

(2) The Chair advised that, in accordance with Council Policy, the meeting would be audio recorded;

(3) Members were reminded that this Council had declared a Climate Emergency. This was a serious decision and meant that, as this was an emergency, all of us, officers and Members had that in mind as we carried out our various roles and tasks for the benefit of our District.

(4) The Chair drew attention to the item on the agenda front pages regarding Declarations of Interest and reminded Members that, in line with the Code of Conduct, any Declarations of Interest needed to be declared immediately prior to the item in question.

128 PUBLIC PARTICIPATION

Audio recording – 2:50

There was none

129 FUTURE SERVICE DESIGN OF WASTE, RECYCLING AND STREET CLEANSING SERVICES

Audio recording – 3:00

Tom Tyson to presented the report and highlighted points including:

- This report seeks the authority to proceed with a competitive dialogue procurement for the waste and recycling collection and street cleansing contract due to expire in May 2025
- The report is based on outcomes from the Member-led joint working group between East Herts Council and North Herts Council and identifies key service changes affecting the contract specification drafting
- The report covers details of both East Herts and North Herts changes to fully identify impacts across the shared service
- The key drivers of the service changes are set in the pending national resources and waste strategy consultation outcomes and the financial challenges authorities are facing
- It is anticipated that the proposed changes ill secure more financially and environmentally sustainable service as well as making joint contract attractive to the market
- Our pre engagement work having identified aligned services is a key consideration for bidders
- Members are asked to consider extended frequency residual waste collections for the majority of households, supported by a continuation of weekly food and fortnightly dry recycling collections and an end to textiles and batter curb side collection services
- Proposals will be supported with a major communications plan and additional staff resource to ensure a smooth transition to the new services

Councillor Elizabeth Dennis-Harburg reminded Members that they also had the notes referred by Overview and Scrutiny under agenda item 4. There were four concerns that came out of the meeting including:

- Concerns over the capacity of the 180L residual waste bins
- There is a move to three weekly collections
- Concerns regarding those with a large amount of waste, for example families with nappies
- A query over whether enough public consultation took place and the need to ensure that residents are aware of any changes through ongoing communication

The following Members participated in the debate:

- Steve Jarvis
- Judi Billing
- Ian Albert
- Sean Prendergast
- Elizabeth Dennis-Harburg

The points raised in the debate included:

- 7.19 in the report doesn't include North Herts climate emergency declaration.
- In 7.23 of the report we need to be clear that reducing the Councils carbon footprint has to be done. This can be read as optional, and it shouldn't be.
- Many people don't know what bins go out on what day. There is definitely space within purple bins due to things that could be recycled instead.
- The comments from the consultation are more positive than those in 2017/18.

- 2.17 makes sense and that North Herts is making things simpler in terms of the garden waste collection charge but this should be looked at carefully between now and 2025 and come back with some additional proposals. We recognise there are steps needed to get us to that point
- In terms of the climate emergency moving to three weekly collections is good. This report strikes a good balance between protecting the environment but also helping those who do need it, such as bigger families.
- If we are pushing people to use the right bins, how will we handle people using the recycling bins more? We could look into larger recycling bins or other alternatives

The following Members asked questions:

- Steve Jarvis
- Ian Albert

In response it was advised:

- We have engaged with consultants to help work through some wording we will include in our contract to look at securing improvements in the carbon impacts that the service has
- We are looking at all the technologies available such as the electric fleet and other options like alternative fuels.
- We will start taking soft plastics into the dry recycling which will remove a lot of bulk from the purple bin
- We know from research that a lot of things in the purple bins shouldn't be there, for example food waste, dry recycling and garden waste.
- Families with large amounts of waste will be able to qualify for fortnightly collection
- Around 2000 North Herts residents completed the survey. A majority said they have quite a lot of room left after the fortnight. Some were worried about coping and some said their bins were full, so we have to be careful with the results but there are ways we can solve this.
- All the collection crews work within cab systems so from a vehicle perspective there won't be loads of vehicles in the same street on the same time.
- We are aware that at times all the bins will be out and we are looking at what other Councils are doing to manage that. We have looked at alternatives, such as having garden waste being collected on a different day or opposing weeks to dry recycling
- One of our key aims is that we don't have a huge amount of disruption to residents
- We are looking at electronic notification options to inform residents which bins need to go out on what days. Details of these will come out in the Spring report. Some Councils use bin apps, and there are things like text messaging services and emails which we use.

Many Members commented that it was disappointing the Chair of Overview and Scrutiny couldn't attend.

Councillor Steve Jarvis proposed an additional recommendation and following a vote it was:

RESOLVED:

(1) That the recommendations from the Joint Cross-Party working group attached in Appendix 1 were noted and considered prior to making a new substantive decision.

(2) That the comments from Overview and Scrutiny Committee attached in Appendix 12 were noted and considered prior to making a new substantive decision.

(3) That the responses from the public consultation as summarised in Appendix 2 were noted and considered prior to making a new substantive decision

(4) That Cabiniet approved a Competitive Dialogue procedure for the procurement of the Waste, Recycling and Street Cleansing contract.

(5) That Cabiniet approved a joint project board to include the Executive Members for Finance as well as the Executive Member for waste, recycling and street cleansing services for both EHC and NHC to monitor the progress of the procurement project and for the delegation of powers to the Head of Operations (EHC) and Director of Place (NHDC) in consultation with project board in relation to amendments to the specification or service design.

(6) That Cabiniet approved to a Contract length of 8 years with the possibility of up to an 8 year extension.

(7) That Cabiniet approved the provision of customer services and contact handling being delivered in-house and a future report detailing how this will be delivered be provided in 2023.

(8) That Cabinet noted the introduction of a new weekly separate food waste collection service in 23L caddies for houses and in wheeled bins for flats in East Hertfordshire from 2025.

(9) That Cabiniet approved residual waste collections occurring on a three weekly collection cycle from 2025. The implementation date confirmation to be delegated to the Director of Place/Head of Operations in consultation Project Board. As referenced in 8.11 to 8.46.

(10) That Cabinet noted the standard receptacle for residual waste being 180L in size and that all new and replacement residual waste containers for houses will be 180l as soon as is reasonably practicable and phased in commencing no later than from 1st April 2023 in East Hertfordshire.

(11) That Cabiniet approved the transition to a standard bin colour across East and North Hertfordshire as outlined in 8.47 to 8.56 as soon as is practicable and no later than 1st April 2023.

(12) That Cabiniet approved the inclusion of plastic film in the mixed dry recycling collections from 2025, the implementation date confirmation to be delegated to the Project Board and subject to the outcomes of Resources & Waste Strategy consultation on consistency.

(13) That Cabinet noted the cessation of bring bank services for paper and textiles in East Hertfordshire no later than the end of 2023

(14) That Cabiniet approved the cessation of kerbside textiles collections in North Hertfordshire with the shared waste service proactively engaging with the charity-sector to promote alternative outlets for expired textiles by the end of 2023.

(15) That Cabiniet approved the cessation of kerbside battery collections in North Hertfordshire from May 2025 with the shared waste service proactively promoting alternative recycling outlets.

(16) That Cabiniet approved the service policy statements as outlined in Appendix 3 and for these to be further updated in advance of the contract start in May 2025 and be delegated to Head of Operations/Director of Place in consultation with the Executive Members.

(17) That Cabinet agreed to the principle of aligning the garden waste collection charge from 2025

(18) That Cabinet agreed in principle to the service design described in 8.94 to 8.93, should the outcomes from the Resources and Waste Strategy Consistency consultation mandate the separate collection of fibre, subject to the constitutional requirements for decision making.

(19) That Cabinet noted the procurement process will include evaluation of options to reduce the carbon emissions of the waste service to contribute to achieving the Council's 2030 net zero target.

REASONS FOR DECISIONS:

(1) These recommendations are in accordance with the Aim and Principles of the shared service detailed in Appendix 4 and offer an opportunity to ensure that services are financially and environmentally sustainable in the medium term. In particular it is an opportunity for the service to mitigate its carbon impacts and encourage a more sustainable lifestyle for residents.

(2) It is necessary to ensure that any contract being procured is attractive to the market and by aligning services with EHC this will allow for greater efficiencies in the contract.

(3) Increasing costs associated with contract inflation (9.92% in 2022/23) also require us to proactively seek alternative ways of delivering services and ensure we maximise the efficient of our operations.

The meeting closed at 6.47 pm

Chair

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NORTH HERTFORDSHIRE DISTRICT COUNCIL

CABINET

MEETING HELD IN THE COUNCIL CHAMBER, DISTRICT COUNCIL OFFICES, GERNON ROAD, LETCHWORTH ON WEDNESDAY, 2ND NOVEMBER, 2022 AT 7.30 PM

MINUTES

Present: *Councillors: Councillor Elizabeth Dennis-Harburg (Chair), Ruth Brown, Ian Albert, Judi Billing, Keith Hoskins, Amy Allen, Sean Prendergast and Ian Mantle*

In Attendance:

Ian Fullstone (Service Director – Regulatory), Jeanette Thompson (Service Director – Legal & Community and Monitoring Officer), Louise Symes (Strategic Infrastructure and Projects Manager), Nigel Smith (Strategic Planning Manager) Deborah Coates (Principal Planning Officer), James Lovegrove (Committee, Member and Scrutiny Manager) and Louis Mutter (Committee, Member and Scrutiny Officer)

Also Present:

At the commencement of the meeting approximately 1 *member of the public.*

130 APOLOGIES FOR ABSENCE

Audio recording – 2 minutes 9 seconds

Apologies for absence was received from Councillor Steve Jarvis.

131 CHAIR'S ANNOUNCEMENTS

Audio recording – 2 minutes 18 seconds

(1) The Chair welcomed those present at the meeting;

(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. The Chair also reminded Members to state whether they had been granted a dispensation by the Monitoring Officer.

The Chair invited the Monitoring Officer to provide additional information on declaring interests and dispensations.

The Monitoring Officer informed the committee that she has granted a general dispensation to all District Councillors due to interest in 5 potential sites of development included in the Local Plan.

Councillor Judi Billing and Keith Hoskins declared interests as Hertfordshire County Councillors, due to County Council owned land in Baldock included in the Local Plan 2011-2031.

Councillor Ian Mantle declared an interest as the District Council's nominee on the Letchworth Heritage Foundation which owns land included in the Local Plan 2011-3031.

The Monitoring Officer confirmed she had granted dispensations for those three declarations of interest.

132 PUBLIC PARTICIPATION

Audio recording – 4 minutes 35 seconds

There was no public participation at this meeting.

133 NORTH HERTFORDSHIRE LOCAL PLAN 2011-2031

Audio Recording: : 4 minutes 43 seconds

The Executive Member for Planning and Transport, Councillor Ruth Brown, presented the report entitled North Hertfordshire Local Plan 2011-2031 and highlighted the following key points:

- The Local Plan was sent for examination in June 2017, the Main Modifications were approved in December 2018. Both of those dates were prior to the current administration;
- The Plan has gone through several rounds of public consultations and hearings over a period of 4 years;
- There was an Extraordinary Council meeting in October 2020 to look at Greenbelt allocations in relation to the reduction of housing need;
- The Inspector's Report keeps all of the greenbelt housing sites that were originally allocated as well as a significant new area being allocated as Greenbelt;
- The government is requiring all Local Authorities to have an adopted Local Plan by December 2023. Adopting this Plan gives the Council significantly more control over the development in the District;
- The report also recommends that Cabinet approves the updated Local Development Scheme, which includes an early review which should start by December 2023.

In response to questions from Councillor Ian Albert, Councillor Ruth Brown, the Monitoring Officer and the Strategic Planning Manager respectively, advised:

- The Council is required to start the review by December 2023, it can be started earlier. It's important to recognise it's a big undertaking and needs an effective review;
- The Extraordinary Council meeting is on 8 November, a legal basis for the recommendation has been set to adopt a plan. If the plan wasn't accepted the Council would be potentially subject to judicial review by interested developers;
- The review of Areas of Outstanding Natural Beauty is at an early stage at the moment; AONBs are amended through a different process, so can be changed outside of the Local Plan cycle and relevant policies would be applied to the amended area.

Councillor Ruth Brown proposed and Councillor Ian Albert seconded.

The following Members took part in the debate:

- Councillor Ian Albert
- Councillor Judi Billing

The Chair invited Councillor David Levett to address the Committee and made the following points:

- Councillor Levett had been involved in the production of the Local Plan since 2011;
- This plan is not perfect, it's a work in progress and something that is going to change all the time;
- The Council has seen through the Planning Control Committee the issues of not having a Local Plan.

The Chair and Councillor David Levett extended their thanks to the officers involved in the work to produce the Local Plan, often working early in the morning to late at night as well as thanking the Members of the previous administration in beginning this process.

Following a vote, it was:

RESOLVED: That Cabinet recommends to Full Council that:

(1) The outcome of the examination set out in the Inspector's Report (IR), attached as Appendix 1, along with his recommended Main Modifications of the Plan, attached as Appendix 2, be noted.

(2) The final version of the North Hertfordshire Local Plan 2011-2031 ('the Local Plan') attached as Appendix 3, incorporating both the Inspector's Main Modifications and the proposed Additional Modifications, attached as Appendix 4, be adopted as part of the statutory Development Plan for the District.

(3) The Policies Map, illustrated by Appendices 5a to 5g, is adopted in order to give geographical effect to the policies of the Local Plan.

(4) The updated Local Development Scheme, attached as Appendix 6, be approved.

(5) Delegated authority is granted to the Service Director – Regulatory in consultation with the Executive Member for Planning and Transport to make any minor non-material corrections (including but not limited to cosmetic additions or presentational alterations) to the adopted Local Plan or the adopted Policies Map as considered necessary for their publication and publicity in accordance with the relevant regulations.

REASON FOR DECISION:

To provide the District with an up-to-date Local Plan in accordance with the requirements of national legislation and policy.

134 THERFIELD HEATH SSSI MITIGATION STRATEGY

Audio Recording: 21 minutes 3 seconds

The Executive Member for Planning and Transport, Councillor Ruth Brown, presented the report entitled Therfield Heath SSSI Mitigation Strategy and highlighted the following key points:

- The Council was asked by Natural England to produce a mitigation strategy before the Local Plan is adopted;
- The increasing amount of development around the area puts extra footfall on that area;

- Many of the allocated sites in Royston have already had developments on them, but there are more to come;
- A supplementary agenda was published including the comments from Natural England.

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

RESOLVED:

(1) That, subject to approval of the Local Plan by Full Council, the Therfield Heath SSSI Mitigation Strategy is approved as a material consideration for the purposed of determining planning applications in Royston and the surrounding area.

(2) That delegated authority is granted to the Service Director – Regulatory in consultation with the Executive Member for Planning and Transport and the Executive Member for Environment and Leisure to incorporate the minor changes requested by Natural England, attached as Appendix C and any further non-material corrections prior to publication of the Strategy.

REASON FOR DECISION:

To provide a mechanism through which to negotiate mitigation measures to address recreational impact on the Therfield Heath Site of Scientific Interest (SSSI) and fulfil the Council's Statement of Common Ground with Natural England.

The meeting closed at 7.55 pm

Chair

CABINET
13 DECEMBER 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 Council had committed to a full review of its Council Tax Reduction Scheme to meet the objectives as set out in 2.3. 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 has taken place and that consultation with the public and Major Precepting Authorities has taken place.

2.2 That Cabinet note the aim of the review has been 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 and
- make the scheme easier for our customers to understand and calculate entitlement.

2.3 That Cabinet recommend to Council that a new banded scheme for working age applicants is adopted from 01 April 2023.

2.4 That Cabinet recommend to Council the use of the Council Tax Hardship Grant to fund a discretionary scheme to provide additional transitional support where appropriate and that decisions regarding Discretionary support are delegated to the Service Director Customers in consultation with the Executive Member for Finance and IT.

2.5 That Cabinet note that 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 Council's share is expected to be around 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.

4.2 If the proposed scheme is not adopted then the scheme for 2023/24 will remain the same as the scheme for 2022/23.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

5.1 The Executive Member and Deputy Executive Member for Finance and IT have been consulted throughout the review and are in support of the proposed changes to the scheme.

5.2 The Shadow Executive Member for Finance and IT has been consulted on this proposal.

5.3 A full consultation has been undertaken in line with the statutory requirement with:

- The County Council (including Fire & Rescue)
- The Hertfordshire Police and Crime Commissioner (PCC)
- The Public

5.4 The public consultation ran for six weeks and closed on the 30 October 2022. The consultation was regularly promoted via our website, social media channels and in the local press and Council email bulletins. Details of the consultation were included on all emails sent from customer services and we also notified partners such as Citizens Advice, settle and other registered housing providers. Parish Clerks were also notified of the consultation.

5.5 No comments were received from the County Council or PCC.

5.6 North Herts Citizens Advice were consulted on the proposal and expressed support for the proposed scheme specifically noting that; '*the CTR scheme should benefit more of those who really need it. It seems like a fairer system and its very client focused'*.

5.7 The public consultation received 481 responses, 100% of respondents stated they live in North Herts. Just under 74% of respondents are not in receipt of CTR support and the majority of respondents (69%) were aged 55 and above with 40% being above 65. 68% of those who answered the question below agreed with introducing an income based banded scheme.

A summary of the full consultation results are attached at Appendix B.

2. Do you agree with introducing an income-based banded discount scheme?

	Answer Choices		Response Percent	Response Total
1	Yes		67.78%	223
2	No		18.54%	61
3	Don't Know		13.68%	45
			answered	329
			skipped	152

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 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 (where in receipt of Revenue Support Grant) 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.

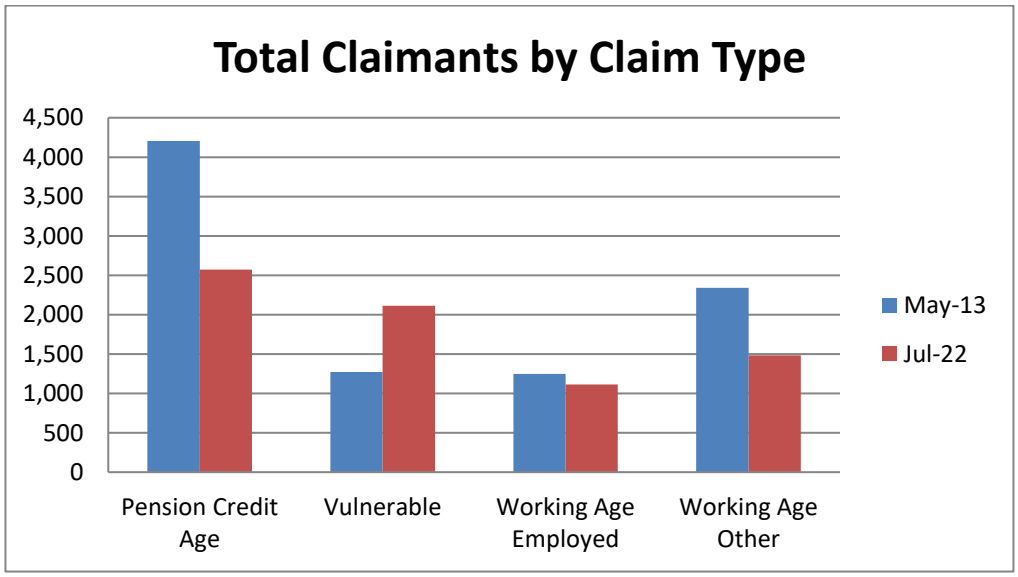
7.5 When Council Tax Reduction was introduced in 2013, for working age applicants, the Council broadly adopted the previous means tested Council Tax Benefit scheme as the basis of awarding support. Due to the reduction in funding from Central Government, the Council also required all working age applicants, 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 CTR claimants are split into four categories as follows:

- Pensioners - meaning they have reached Pension Credit age
- Vulnerable - meaning that a member of the household is in receipt of a disability benefit such as Personal Independence Payment (PIP) or Disability Living Allowance (DLA)
- Working age employed - of working age and in employment
- Working age other - of working age and not in employment.

7.8 The chart below shows how the claimant numbers are made up and shows that since 2013 the numbers of claimants in each group have declined, except the vulnerable group which has increased as additional medical conditions have been included.



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 which compounds the debt 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 of up 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 approximately 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 customer. 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 complete. Consultation with the public and our Major Preceptors has been carried out. A summary of the full results of the consultation are included at Appendix B.

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, the income bands are based on a weekly net income amount 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	£220.01 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 'passported 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 Payment will continue to be disregarded.

- where any applicant, their partner or dependent child(ren) are in receipt of a disability benefits such as PIP or DLA, a further disregard of £50 per week will be given, thereby supporting 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 Analysis of the Impact of changes.

8.7.1 Analysis of the impact, based on comparing the current caseload entitlement with the proposed entitlement, shows that 81% of working age claimants will receive no change or an increase (this figure does not include pensioners who are unaffected by the proposal), 6.8 % will receive a decrease in entitlement and 11 % will no longer be entitled to council tax reduction.

8.7.2 The majority of changes in entitlement that will see a reduction will be because of one of the following reasons, which are explained in more detail:

- Changes to the vulnerable element of the scheme
- Removal of the Better Buy and 2AR element of the scheme

8.7.3 **Changes to the vulnerable element of the scheme**

Under the current scheme if anyone in the household is in receipt of a disability benefit such as personal independence payment (PIP) or disability living allowance (DLA) then they are 'passported' into the vulnerable category and automatically entitled to 100% reduction, regardless of household income. Under the proposed scheme there will no longer be an automatic 100% reduction applied and the percentage reduction will be based on the income band that the household is in, once the relevant disregards have been applied.

It is important to note that the income assessed for the purposes of CTR will have already disregarded disability benefits (such as PIP and DLA) and an additional £50 disability disregard will be applied, a further £50 disregard will also be applied if the claimant is working. There are some examples calculations shown in Appendix A

8.7.5 **Removal of the Better Buy and 2AR element of the scheme**

Under the current scheme Second Adult rebate (2AR) replaces the single persons discount of the liable person if they have a second adult move into their home who is on a low income. Unlike any other UK state benefit, 2AR is not based on the income and capital of the applicant or partner but that of another adult**.**

Where an applicant is not entitled to CTR but resides with a second adult, another calculation assesses entitlement to 2AR by ignoring the financial circumstances of the claimant and taking those of the second adult into account. The discount applied depends on the income of the second adult and could be 7.5%, 15% or 25%. This can also result in entitlement to 2AR being awarded even where the applicant has more than £16000 assessed capital**.**

Where an applicant has entitlement to both main CTR and 2AR, the amount of CTR to which they are entitled is the higher of the two, this is commonly known as a 'better buy' calculation.

8.7.6 **Increase in entitlement**

The majority of changes in entitlement that will see an increase in entitlement will be because currently all working age other and working age employed claimants are required to pay 25% of their council tax regardless of their income. As an example, under the current scheme a claimant whose only income is Universal Credit at £77 per week is required to pay 25% of their council tax. In many cases it is not affordable and will not be paid, leading to debt and potentially further costs added for recovery action. Some further examples of these calculations are included in Appendix A.

8.7.7 The changes in the proposed scheme make the scheme much fairer by assessing all working age claimants on their assessable income once any relevant disregards have been excluded.

8.8 Transition to the new scheme and the Exceptional Hardship Scheme

8.8.1 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 some applicants.

8.8.2 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.

8.8.3 The proposed scheme has been designed to support the most financially vulnerable. It is proposed that the new scheme will contain additional discretionary provisions to support individuals who experience exceptional hardship. Where any applicant is likely to experience exceptional hardship, they will be encouraged to apply for a CTR hardship award 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.

8.8.4 This approach will enable individual applicants to be dealt with in a fair and equitable manner. The CTR Hardship Scheme will form part of the Council Tax Reduction Scheme and fall to be borne by the Council.

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 for (2023/23):

- 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 10.6 and 10.7. 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 be some who will not benefit from the changes and will see a reduction in entitlement or entitlement end altogether and there is a risk that they may experience financial hardship. By introducing new discretionary provisions to the scheme, the Council will be able to encourage applicants to apply for an exceptional hardship award, and where appropriate, support will be given.

11.3 There is a risk that the new scheme will increase costs to the Council, work that has been undertaken to 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 has sought to collect information from those who may be potentially affected by these proposals.

12.4 An equalities impact assessment has been completed and is attached at Appendix C.

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 Appendix A – Impact of changes

16.2 Appendix B – Consultation feedback.

16.3 Appendix C – Equalities Impact Assessment

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18. BACKGROUND PAPERS

18.1 None

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Council Tax Reduction Scheme 2023/2024 - APPENDIX A

The table below shows how the proposed scheme will impact those in receipt of council tax reduction. Based on current claimants, under the new proposal 40.3% would receive an increase in entitlement, further detail on those impacted is shown further on.

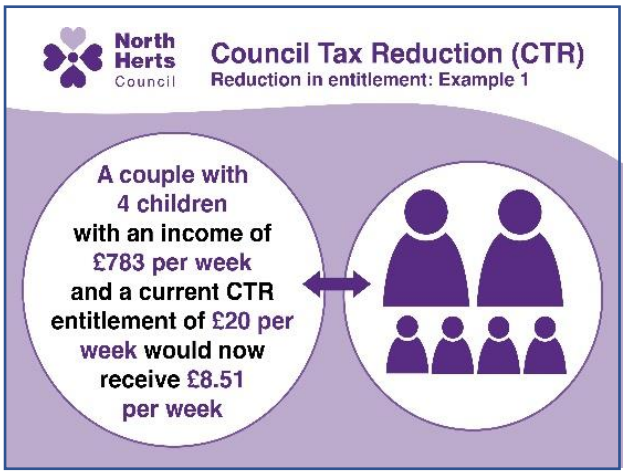
	Number (excluding pensioners)	percentage
No change in entitlement	1619	41%
Increase in entitlement	1565	40.3%
Reduction in entitlement	267	6.8%
No longer entitled	427	11%

The table below shows where the increases occur, which are mostly in the lower income brackets.

Increases			
Weekly Income Bands			
Single person with no children		Couple with no children	
£0-£100	372	£0-£140	27
£100.01-£180	53	£140.01-£220	14
£180.01-£240	3	£220.01-£280	1
£240.01-£300	0	£280.01-£340	0
over £301.01	0	over £340.01	0
Single person with 1 child		Couple with 1 child	
£0-£165	237	£0-£205	24
£165.01-£245	36	£205.01-£285	4
£245.01-£305	4	£285.01-£345	0
£305.01-£365	1	£345.01-£405	0
over £365.01	0	over £405.01	0
Single person with 2 children		Couple with 2 children	
£0-£220	193	£0-£260	41
£220.01-£300	131	£260.01-£340	15
£300.01-£360	38	£340.01-£400	2
£360.01-£420	2	£400.01-£460	2
over £420.01		over £460.01	0
Single person with 3 children		Couple with 3 children	
£0-£330	153	£0-£340	40
£330.01-£385	4	£340.01-£395	11
£385.01-£445	0	£395.01-£455	2
£445.01-£505	0	£455.01-£515	1
over £505.01	0	over £515.01	

Examples of calculations are shown below:

Example 1 – reduction in entitlement



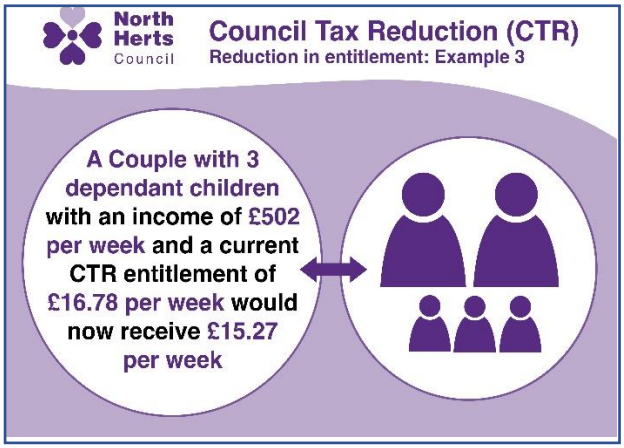
Child benefit x 4 £65.15 per week Universal Credit £531.56 per week Carers Allowance £69.70 DLA for child £116.85	**Total weekly income £783.26**
Less disregarded income of £251.70 Less disabled disregard of £50	**Assessable Income £481.56**
Assessable income of £481.56 = Band 4 – 25% reduction Council tax liability is £34.05 per week Award of 25% = £8.51 reduction	

Example 2 - reduction in entitlement



Wages £273.50 per week Universal Credit £152.75 per week	**Total weekly income £426.25**
Less earnings disregard of £50	**Assessable Income £376.25**
Assessable income of £376.25 = Band 5 – 0% reduction Council tax liability is £34.05 per week Award of £0	

Example 3 - reduction in entitlement



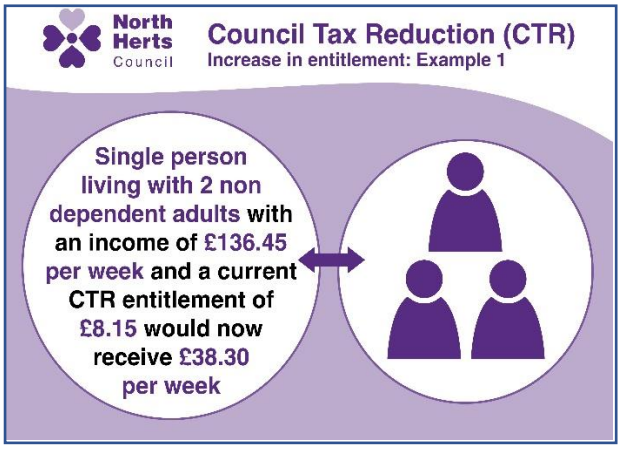
Wages £234.99 Child Tax Credit £179.84 per week Working Tax Credit £36.85 per week Child Benefit x 3 £50.70	**Total weekly income £502.38**
Less earnings disregard of £50 Less child benefit disregard	**Assessable Income £401.68**
Assessable income of £401.68 = Band 3 – 45% reduction Council tax liability is £33.95 per week Award of 45% = £15.27 reduction	

The table below shows the income bands where the reductions occur.

Reductions			
Weekly Income Bands			
Single person with no children		Couple with no children	
£0-£100	0	£0-£140	0
£100.01-£180	9	£140.01-£220	26
£180.01-£240	0	£220.01-£280	8
£240.01-£300	0	£280.01-£340	2
over £301.01	0	over £340.01	0
Single person with 1 child		Couple with 1 child	
£0-£165	0	£0-£205	0
£165.01-£245	18	£205.01-£285	23
£245.01-£305	1	£285.01-£345	6
£305.01-£365	1	£345.01-£405	4
over £365.01	0	over £405.01	0
Single person with 2 children		Couple with 2 children	
£0-£220	0	£0-£260	0
£220.01-£300	20	£260.01-£340	24
£300.01-£360	29	£340.01-£400	11
£360.01-£420	5	£400.01-£460	0
over £420.01	0	over £460.01	0
Single person with 3 children		Couple with 3 children	
£0-£330	6	£0-£340	0
£330.01-£385	30	£340.01-£395	14
£385.01-£445	8	£395.01-£455	7
£445.01-£505	9	£455.01-£515	6
over £505.01	0	over £515.01	0

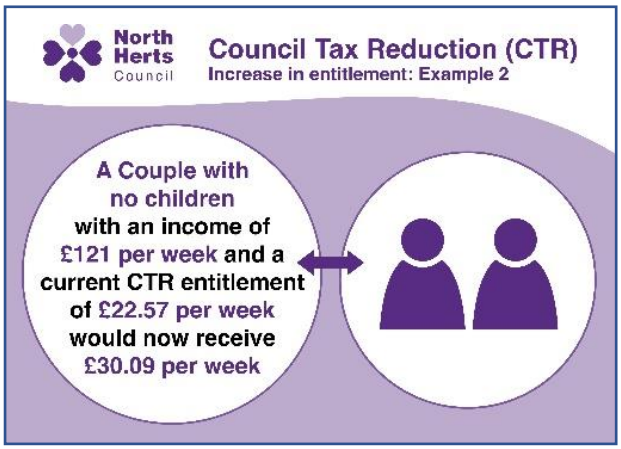
Examples of calculations are shown below:

Example 4 – Increase in entitlement



Wages £136.45	**Total weekly income £136.45**
Less earnings disregard of £50	**Assessable Income £86.45**
Assessable income of £86.45 = Band 1– 100% reduction Council tax liability is £38.30 per week Award of 100% = £38.30 reduction	

Example 5 – Increase in entitlement



Universal Credit £121.32	**Total weekly income £121.32**
Assessable income of £121.32 = Band 1– 100% reduction Council tax liability is £30.09 per week Award of 100% = £30.09 reduction	

Example 6 – Increase in entitlement



Wages £180.32 Universal Credit £178.82 Child Benefit x 2 £36.25	**Total weekly income £395.39**
Less earnings disregard of £50 Less disregarded income of £36.25	**Assessable Income £309.14**
Assessable income of £309.14 = Band 3– 45% reduction Council tax liability is £25.53 per week (after SPD) Award of 45% = £11.48 reduction	

North Herts Council - Council Tax Reduction Scheme 2023/24 Consultation

1. Background information

1. I have read the background information.			
Answer Choices		**Response Percent**	**Response Total**
1	Yes	94.39%	454
2	No	5.61%	27
		answered	481
		skipped	0

2. Part 1 – The introduction of an Income Grid scheme to replace the current scheme for all applicants of working age

2. Do you agree with introducing an income-based banded discount scheme?			
Answer Choices		**Response Percent**	**Response Total**
1	Yes	67.78%	223
2	No	18.54%	61
3	Don't Know	13.68%	45
		answered	329
		skipped	152

3. If you disagree with introducing an income-banded scheme please explain why and what alternative would you propose?			
Answer Choices		**Response Percent**	**Response Total**
1	Results of open-Ended Question	100.00%	73
17	Answer relates to Pensions/Single Persons Allowance.		
11	Leave current system as it is.		
10	Concern over already high Council Tax charges and want the Council Tax reduced, smaller homes to pay less		
2	Banded scheme is unfair, all benefits except for state pensions should be means tested.		
13	Those in receipt of benefit already receive the greatest deductions, this could de-incentivise these households not to work.		

3. If you disagree with introducing an income-banded scheme please explain why and what alternative would you propose?	
5	All residents should make some contribution to services provided.
1	Child maintenance should be included in income calculation.
8	No comment – unable to understand table of income/discount. Need a clearer explanation.
3	Concerns over the income brackets and cost of implementing the scheme
1	Remove the discount at Band 3.
2	Concern over fluctuation wages and zero-hour contracts

answered	**73**
skipped	408

3. Part 2 - To limit the number of dependent children within the calculation for Council Tax Reduction to a maximum of three for all applicants

4. Do you agree with this change to the scheme?				
Answer Choices			**Response Percent**	**Response Total**
1	Yes		74.28%	231
2	No		15.76%	49
3	Don't Know		9.97%	31
		answered		311
		skipped		170

5. If you disagree please explain why and what alternative would you propose?			
Answer Choices		**Response Percent**	**Response Total**
1	Results of Open-Ended Question	100.00%	47
10	Large Families disproportionately penalised, children shouldn't be included		
3	Keep current system.		
18	Limit on the number of children used in the assessment		
1	Equal low contribution for all.		
1	Higher discount for non-working families		
1	Couples are not assisted		
3	System is too complex		
5	Comments not relevant to the proposed scheme		
1	Sliding scale with no 100% deduction		

5. If you disagree please explain why and what alternative would you propose?	
3	Could de-incentivise working families.
1	Reduction should be means tested
	answered 47
	skipped 434

4. Part 3 – Removing the requirement for any non-dependant deductions

6. Do you agree with this change to the scheme?				
Answer Choices			**Response Percent**	**Response Total**
1	Yes		61.02%	180
2	No		20.00%	59
3	Don't Know		18.98%	56
			answered	295
			skipped	186

7. If you disagree please explain why and what alternative would you propose?			
Answer Choices		**Response Percent**	**Response Total**
1	Open-Ended Question	100.00%	57
17	Discounts should be based on total household income everyone should contribute		
5	Council Tax should be based as with income tax, individually.		
12	Keep the current system.		
2	Potential to encourage household overcrowding.		
9	The new scheme has the potential to be open to misuse.		
1	Deductions should be based on how much individuals contribute.		
6	Non-Dependants should not pay towards Council Tax when they are unable to afford to move out and buy/rent their own house/flat. Parents should not be penalised for supporting young adults.		
4	New scheme should be rejected if it increases costs.		
1	Proposal favours administrative convenience over control of public funds.		
		answered	**57**
		skipped	424

5. Part 4 – Disregarding the housing element of Universal Credit

8. Do you agree with this change to the scheme?				
Answer Choices			**Response Percent**	**Response Total**
1	Yes		74.22%	213
2	No		13.59%	39
3	Don't Know		12.20%	35
			answered	287
			skipped	194

9. If you disagree please explain why and what alternative would you propose?			
Answer Choices		**Response Percent**	**Response Total**
1	Open-Ended Question	100.00%	37
18	All income should be included. Universal Credit should count as income. All benefits should be included when it comes to council tax calculations.		
2	Reject if the costs of the scheme will increase.		
4	An income-based system is expensive and time consuming to run and intrusive when assessing households. Open to fraud also by those who may wish to exploit the system.		
1	This disadvantages people on low incomes who are not in receipt of benefits.		
1	The housing benefit proportion of Universal Credit is disproportionately rent, rents are very high		
2	People change jobs often so how would it remain up to date? Administration costs would escalate for the council to keep a track of incomes. Unenforceable long term and expensive to maintain.		
1	Question, proposal not clear – no comment.		
6	Leave system as it is.		
2	Hard work and success are penalised – this will not encourage low-income benefit households to return to work.		
		answered	**37**
		skipped	444

6. Part 5 – Removing the current earnings disregards and replacing them with a standard £50 per week disregard for all working applicants

10. Do you agree with this change to the scheme?				
Answer Choices			**Response Percent**	**Response Total**
1	Yes		72.46%	200

10. Do you agree with this change to the scheme?				
2	No		10.51%	29
3	Don't Know		17.03%	47
			answered	276
			skipped	205

11. If you disagree please explain why and what alternative would you propose?			
Answer Choices		**Response Percent**	**Response Total**
1	Open-Ended Question	100.00%	33
4	Disproportionately unfair to large families with higher Child Care Costs.		
3	The scheme should be as generous as possible and help those most in need. Its an excellent idea!		
4	All income should be taken into account.		
9	It is important to help those that need help without encouraging welfare dependency. Incentivise getting people back to work. £50 per week is too high and acts as a disincentive to work. Should not be subsiding low paying employers		
2	Question is not clear – no comment.		
3	Concerns for low paid households who do not receive benefits		
4	Keep current system.		
2	System could be open to be misuse and be abused.		
2	Query over the cost of the scheme		
		answered	**33**
		skipped	448

7. Part 6 – Removing the Extended Payment provision

12. Do you agree with this change to the scheme?				
Answer Choices			**Response Percent**	**Response Total**
1	Yes		69.40%	186
2	No		13.81%	37
3	Don't know		16.79%	45
			answered	268
			skipped	213

13. If you disagree, please explain why and what alternative would you propose?			
Answer Choices		**Response Percent**	**Response Total**
1	Open-Ended Question	100.00%	32
	23 Need to encourage people into work and the extended payment is a buffer before they get their first month's wages		
	3 Leave the system as it is.		
	1 Collection of council tax should also be phased.		
	1 Focus more direct help to genuine hardship cases.		
	2 Some households will take advantage of the scheme when they are not actually a low-income household and abuse the system.		
	1 Lack of education and government is responsible for all council problems.		
	1 Comment not relevant to the proposed scheme		
		answered	**32**
		skipped	449

8. Part 7 – Any new claim or change in circumstances which changes Council Tax Reduction entitlement will be made from the date on which the change occurs, (rather than on a weekly basis as at present)

14. Do you agree with this change to the scheme?			
Answer Choices		**Response Percent**	**Response Total**
1	Yes	90.00%	234
2	No	3.08%	8
3	Don't Know	6.92%	18
		answered	260
		skipped	221

15. If you disagree, please explain why and what alternative would you propose?			
Answer Choices		**Response Percent**	**Response Total**
1	Open-Ended Question	100.00%	7
	4 Concerns that this is more difficult to maintain and more of an administrative burden.		
	1 Some households will take advantage of the scheme when they are not actually a low-income household.		
	1 Comment not relevant to the proposed scheme		

15. If you disagree, please explain why and what alternative would you propose?		
1	Leave system as it is.	
	answered	**7**
	skipped	474

9. Part 8 – Protecting disabled persons by disregarding Personal Independence Payments or Disability Living Allowance and providing a further disregard of £50 per week where the applicant, partner or dependant is in receipt of the disability benefit.

16. Do you agree with this change to the scheme?				
Answer Choices			**Response Percent**	**Response Total**
1	Yes		87.55%	225
2	No		5.84%	15
3	Don't Know		6.61%	17
			answered	257
			skipped	224

17. If you disagree please explain why and what alternative would you propose?			
Answer Choices		**Response Percent**	**Response Total**
1	Open-Ended Question	100.00%	14
1	Concerns on the level of support given.		
4	Having a disability doesn't automatically mean that the disabled person is less well-off/more in need of financial support than a lot of other people on low incomes for various reasons. Depends on the nature/impact of the disability.		
6	All benefits should be added into the calculation		
1	Concerns over fraud and abuse of the scheme		
1	Concerns about the cost to the taxpayer.		
1	Happy that PIP and DLA are disregarded but does not feel an additional disregard is required		
		answered	**14**
		skipped	467

10. Part 9 – Disregarding Carer's Allowance and the Support Component of the Employment and Support Allowance

18. Do you agree with this change to the scheme?				
Answer Choices			**Response Percent**	**Response Total**
1	Yes		83.27%	214
2	No		8.17%	21
3	Don't Know		8.56%	22
			answered	257
			skipped	224

19. If you disagree please explain why and what alternative would you propose?			
Answer Choices		**Response Percent**	**Response Total**
1	Open-Ended Question	100.00%	19
2	Don't know enough to hold an opinion. No Comment.		
6	All benefits should be added into the calculation.		
5	Disagree with anything that is going to increase the overall cost of the scheme because it is unfair and discriminatory practice. Keep the system simple		
1	Concerns of fraud and system abuse		
1	Income and family expenses are not always the same.		
3	Leave system as it is.		
1	Carers must be included in all decisions made.		
		answered	**19**
		skipped	462

11. Part 10 – Continuing to protect War Pensioners by disregarding War Pensions or War Disablement pensions in full and by enabling up to 100% support to be granted in some cases

20. Do you agree with this proposal?				
Answer Choices			**Response Percent**	**Response Total**
1	Yes		86.33%	221
2	No		4.69%	12
3	Don't know		8.98%	23
			answered	256
			skipped	225

21. If you disagree please explain why and what alternative would you propose?			
Answer Choices		**Response Percent**	**Response Total**
1	Open-Ended Question	100.00%	12
	1 Don't know enough to hold an opinion. No comment.		
	3 Only age-related income should be disregarded not just war pensions		
	5 Keep the system simple		
	1 Concern of abuse and fraud of the system		
	2 Answer relates to Pensions/Single Persons Allowance		
		answered	**12**
		skipped	469

12. Alternatives to changing the Council Tax Reduction Scheme

22. Please use this space to make any other comments on the proposed scheme.			
Answer Choices		**Response Percent**	**Response Total**
1	Open-Ended Question	100.00%	69
	8 Agree with the new CTR scheme proposal as it make sense to help those on the lowest income.		
	20 In favour of the scheme as aware that is helps the lowest income households and supports carers and those with disabilities.		
	4 Against new CTR scheme proposal. Leave as is		
	13 Feeling that it is a disincentive to work and unfair to families that are working but not on benefits.		
	7 Answer relates to Pensions/Single Persons Allowance		
	4 Comment not relevant to proposal.		
	4 Request for examples and different scenarios to enable people to visualise the changes		
	7 Streamline administration to provide a cost reduction. Letters/statements for Council Tax to be clearer.		
	1 The whole of UC payment should be disregarded in calculating Council Tax Reduction.		
	1 ALL benefits whether financial or in kind should be given a monetary value and based on the total household income then any discount should be assessed.		
		answered	69
		skipped	412

23. Please use the space below if you would like the Council to consider any other options (please state).

Answer Choices		Response Percent	Response Total
1	Open-Ended Question	100.00%	30
6	No comment or comment not relevant to proposal		
7	Answer relates to pensions/single person's allowance.		
1	Tax people individually as is the case with income tax.		
1	No 0% band. Any income received by the individual (including benefits, etc) should be calculated into the grid.		
1	A band reduction tax should be considered because people that live in houses from band A to D are not rich people and have different problems and should be supported.		
1	It would make sense to follow on the lines of universal credit when it comes to the self-employed income fluctuations.		
1	Remove smaller homes from council tax bands and introduce smaller essential services levy based on adults in house. Then reduce banding on other homes (so most in band A would have been removed - allowing band B to become a new band A) Council tax would then be payable as an essential services levy plus banding charge. Simpler to administer and fairer to all.		
1	Total means testing, including access to personal bank and savings accounts, and HMRC records to confirm whether the claimant is receiving additional income from personal pensions, and whether they have in fact declared them. It is too easy to abuse systems.		
1	Increase council tax by a sliding scale of higher percentages for the higher bands, lower percentages for lower bands.		
3	**Options/comments regarding care/disability.** More support for those on disability. I think you should take into consideration some people use care component in DLA or PIP to contribute towards their care. Care costs for people in the community are extortionate! People with Alzheimer's Disease are facing enormous care bills. Something equitable needs to be organised - and this has been ignored in your survey - and these are genuine hardship cases. The people that have skimped and scraped to save and buy their own property are hammered if they or a relative are diagnosed with Alzheimer's Disease. There is iniquitous inequality here!		
7	**Other options/comments.** Consider all people not just people claiming benefits. Any households with extremely high mortgage payments should be eligible if their income is barely able to cover getting work, food, bills and mortgage. All proven by providing evidence of bank statements etc Monitor more carefully those abusing the benefit payments system. If a family is affected by the benefit cap, then they should get a 100% discount. Foster carer shouldn't pay council tax for their homes especially is they are council owned. The council should look to reduce the waste in current council expenditure and reduce council tax accordingly. The earnings disregard element still seems overly complicated. Why bother with disregards? Why not just increase the grid amounts accordingly, or have a two-tier grid, where the second-tier amounts include the current disregard situations.		
		answered	30
		skipped	451

24. If you have any further comments or questions to make regarding the Council Tax Reduction Scheme that you haven't had opportunity to raise elsewhere, please use the space below.

Answer Choices		Response Percent	Response Total
1	Open-Ended Question	100.00%	27
4	No comment.		
6	Answer relates to pensions/single person's allowance.		
8	Comments mentioned on previous question/comment not relevant to proposal.		
9	**Other comments/considerations raised.** Any reductions that could help those on a low income and those who receive Benefits, including PIP, would be greatly appreciated. Unless I have misunderstood the content, the reductions provided to those in need are financed by the remaining Council Taxpayers at District or County level. To ensure fairness the cost should be financed from Central Government funds. Consideration should be taken if a person is privately renting or council/housing association as rent charges differ greatly. As a recipient of CTR I strongly welcome a change to the existing calculations, however I am not in favour of making anyone worse off while we are in the midst of high inflation and stagnant wages. I'd urge you to commit to a scheme where those currently in receipt will all be better off or at the same rate of discount as they are currently, funded by the money saved through lower administrative costs. I would be interested to know whether these changes would result in the Council's overall income going up or down. In general, cuts in local government tax receipts result in cuts in local public facilities and services. How will this work for a self-employed individual, with their own Company, who does not earn a fixed hourly rate, or work a fixed number of hours, but has a fluctuating income week to week or month to month? Why isn't the system based upon disposable income after housing costs etc. You could well have a couple in mid or later years with an income of £300 per week, but no mortgage or rental costs, who have a high disposable income. On the other hand you could have a couple on £300 per week with high mortgage or rent costs with a very low disposable income. Doesn't make sense for both to receive the same financial benefits. I do not think that young couples / people / families who are clawing together modest savings to try and purchase a home etc should be penalised, within reason, perhaps there could be a threshold of savings allowed. Trying to provide a little security for a future where you're invested in your community / country shouldn't be punished by crippling household expenses. I think it will be quite complex, but a case-by-case review system might be beneficial. It is not entirely clear if this will affect other discount schemes or increase council tax for paying members to pay for the scheme or be taken from reduced cost efficiencies.		
		answered	27
		skipped	454

13. About You

25. Are you completing this form on behalf of an organisation or group?			
Answer Choices		**Response Percent**	**Response Total**
1	Yes	1.20%	3
2	No	98.80%	246
		answered	249
		skipped	232

If yes, please tell us the name of the organisation/group and add any other comments you wish to make.			
Answer Choices		**Response Percent**	**Response Total**
1	Open-Ended Question	100.00%	1
	1 None		
		answered	1
		skipped	480

14. Questions for Individuals

26. Do you live in the North Herts Council area?			
Answer Choices		**Response Percent**	**Response Total**
1	Yes	100.00%	247
2	No	0.00%	0
		answered	247
		skipped	234

27. Are you currently receiving Council Tax Reduction?			
Answer Choices		**Response Percent**	**Response Total**
1	Yes	26.03%	63
2	No	73.97%	179
		answered	242
		skipped	239

28. Are you or your partner in work or self-employed?

	Answer Choices	Response Percent	Response Total
1	Yes	47.52%	115
2	No	52.48%	127
		answered	242
		skipped	239

29. Are you liable to pay Council Tax?

	Answer Choices	Response Percent	Response Total
1	Yes	98.37%	241
2	No	1.63%	4
		answered	245
		skipped	236

30. Are you currently serving in the Armed Forces?

	Answer Choices	Response Percent	Response Total
1	Yes	0.41%	1
2	No	99.59%	245
		answered	246
		skipped	235

31. What is your gender?

	Answer Choices	Response Percent	Response Total
1	Male	45.12%	111
2	Female	50.41%	124
3	Non-Binary	0.00%	0
4	Prefer not to say	4.47%	11
		answered	246
		skipped	235

32. What is your age?

	Answer Choices	Response Percent	Response Total
1	18-24	0.41%	1
2	25-34	4.08%	10
3	35-44	8.57%	21
4	45-54	14.29%	35
5	55-64	28.16%	69
6	65-74	27.76%	68
7	75-84	10.20%	25
8	85+	2.45%	6
9	Prefer not to say	4.08%	10
		answered	245
		skipped	236

33. Disability: Are your day-to-day activities limited because of a health problem or disability which has lasted, or is expected to last, at least 12 months?

	Answer Choices	Response Percent	Response Total
1	Yes	19.11%	47
2	No	72.76%	179
3	Don't know	1.63%	4
4	Prefer not to say	6.50%	16
		answered	246
		skipped	235

34. Ethnic Origin: What is your ethnic group?

	Answer Choices	Response Percent	Response Total
1	White British	83.20%	203
2	White Irish	1.64%	4
3	White Gypsy or Irish Traveller	0.00%	0
4	Any other White background	5.33%	13

34. Ethnic Origin: What is your ethnic group?				
5	Mixed/Multiple ethnic groups - White & Black African		0.00%	0
6	Mixed/Multiple ethnic groups - White & Black Caribbean		0.41%	1
7	Mixed/Multiple ethnic groups - White & Asian		0.00%	0
8	Any other multi mixed background		0.00%	0
9	Asian or Asian British Pakistani		0.00%	0
10	Asian or Asian British Indian		0.00%	0
11	Asian or Asian British Bangladeshi		0.00%	0
12	Asian or Asian British Chinese		0.00%	0
13	Any other Asian background		0.00%	0
14	Black African		0.00%	0
15	British Caribbean		0.00%	0
16	Black British		0.00%	0
17	Any other Black background		0.00%	0
18	Prefer not to say		9.84%	24
			answered	244
			skipped	237

35. Other ethnic group?			
Answer Choices		**Response Percent**	**Response Total**
1	Open-Ended Question	100.00%	4
1	White ENGLISH		
2	None		
3	English		
4	No		
		answered	4
		skipped	477

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BACKGROUND INFORMATION

What is the legal requirement?

The Equality Act 2010 was implemented on October 1st 2010. The Act creates a new Public Sector Equality Duty. This means there is a General duty that local authorities must meet and specific duties which are designed to help meet them.

NHDC, as a public authority must, in the exercise of its functions, give **due regard** to the need to:

1. Eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Act.

2. Advance equality of opportunity between people who share a protected characteristic(*these are identified in the 'specific duty' paragraph below*) and those who do not (this can mean removing or minimising disadvantage; meeting people's needs; taking account of disabilities; encouraging participation in public life).

3. Foster good relations between those people who share a protected characteristic and those who do not (such as tackling prejudice and promoting understanding).

To show **due regard** for advancing equalities involves:

Removing or minimising disadvantages suffered by people due to their protected characteristics.

Taking steps to meet the needs of people from protected groups where these are different from the needs of other people.

Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

The Specific Duty:

The Specific Duty which underpins the General Duty includes assessing local authority activities in the exercise of their functions, such as proposals, policies and procedures, for impact on people in relation to the protected characteristics listed below.

The new Specific Duty covers the following eight protected characteristics:

Age	Race
Disability	Religion or belief
Gender reassignment	Sex
Pregnancy and Maternity	Sexual orientation

(The duty to have due regard to the need to eliminate discrimination also covers marriage and civil partnerships is in relation to employment issues only),

A public authority that is covered by the specific duties is required to publish sufficient information to demonstrate its compliance with the general equality duty across its functions. This must be done by **31st July 2012** and at least annually after that, from the first date of publication.

This information must include:

Information on the effect that its policies and practices have had on people who share a relevant protected characteristic

What is Equality Analysis?

Equality analysis is a way of considering the effect of an organisation's services on different groups that are protected from discrimination by the Equality Act. By doing this analysis, NHDC need to consider if there are any unintended consequences for some groups and to consider if the policy/decision will be fully effective for all target groups.

By law, NHDC must conduct equality analysis which:

- Contains sufficient information to enable a public authority to show it has given due regard to the equality duty in its decision making.
- Identifies methods for mitigating or avoiding adverse impact (either disproportionate disadvantage and unlawful discrimination).

Failure to meet the duties may result in authorities being exposed to legal challenges.

Step by Step guide to undertaking Equality Analysis

These principles apply to existing as well as new and proposed policies.
In order to be most effective, equality analysis should start prior to policy development or at the early stages of a policy review, considering its possible effects well in advance of implementation.

Outlined below is a suggested staged approach;.

Identifying who is responsible for the equality analysis
Establishing relevance to equality
Scoping your equality analysis
Analysing your equality information
Monitoring and review
Decision-making and publication

1.0 Identifying who is responsible for the equality analysis

The person identified to undertake the equality analysis should be the person with whom responsibility for evidencing need to change a policy or service decision rests, in this respect it is advisable that analysis should only be taken by council officers in their relevant policy/service areas. This will ensure that proper ownership of the analysis is maintained, that there is sufficient knowledge of the service itself, and any results of the analysis inform future service development and improvement

2.0 Establishing relevance to equality

The Equality Act 2010 guidance states that all policies must be analysed for their impact on equality, whether these are current and proposed policies or whether they are informal customs or practices. NHDC are responsible for making a wide range of decisions, including decisions about overarching policies and setting budgets, to day-to-day decisions, which affect specific individuals or specific groups. NHDC propose that the following areas are targeted for Equality Analysis:

- Key decisions - i.e. those over £50,000.00 value or which have a considerable potential impact on the community and across the 'protected characteristics'. (NB. Contractual arrangements, such as contracts for energy, will be exempt from review as whilst they are of sufficient monetary value , the 'equality' impact on the community is nil).
- Major budget implications - i.e. efficiencies and investments such as those proposed within the corporate business planning process
- Major service provision revision - i.e. restructure proposals, changes to working practices and especially those with greatest impact on external customers.

Relevant policies which may be subject to review may include:

grant-making programmes
budgetary decisions
changes to service delivery (including withdrawal or reduction of services)
and **recruitment** or **pay policies**

Where it is clear from initial consideration that a policy will not have any effect on equality for any of the protected characteristics, no further analysis or action is necessary. There will be some policies which are not specifically relevant to equality e.g. a policy on when to check the temperature of fridges in a hospital. Some policies may be more difficult to judge and certainly, at the outset, advice should be sought from the corporate Policy team.

This is particularly important, as if you decide that a policy is not relevant to equality, you will need to document this decision along with the reasons and the information that you used to reach this conclusion. *This evidence is subject to review by the Equality and Human Rights Commission and could be used as evidence in any challenge regarding decisions this Council has made*

A simple statement of 'no relevance to equality' without any supporting information is not sufficient, nor is a statement that no information is available.

The following questions may help in deciding whether a policy is relevant to equality (this is not an exhaustive list but intended to provide a steer when making decisions, particularly in the early stages of implementation):

Does the policy affect service users, employees or the wider community, and therefore potentially have a significant effect in terms of equality? Remember that relevance of a policy will depend not only on the number of those affected but also by the significance of the effect on them.

Is it a major policy change, significantly affecting how functions are delivered in terms of equality?

Will it have a significant effect on how other organisations operate in terms of equality? (for example, a government strategy, an inspection or a grant).

Does the policy relate to functions that previous engagement has identified as being important to particular 'protected' groups?

Does or could the policy affect different protected groups differently?

Does it relate to an area with known inequalities (for example, access to public transport for disabled people)?

3.0 Conducting your equality analysis

3.1 How do the aims of the policy relate to equality?

To do this you will need to have a clear understanding of the policy/decision that is being developed or reviewed. Consider:

What is the purpose of the policy/decision?
In what context will it operate?
Who is it intended to benefit?
What results are intended?

At this early stage you can consider the potential effects, both negative and positive, on protected groups.

3.2 What aspects are relevant to equality?

Consider which aspects of the policy are most relevant to equality. This will help you to focus your attention on the most important areas.

3.3 What equality information is available?

It is important that you have appropriate and reliable information about the different protected groups that the policy is likely to affect. Of course, this will vary according to the nature of the policy being analysed but information gathered from service users should tell you who is using your services, what their experiences are and what their outcomes are.

The following information may also be useful:

- Comparisons with similar policies in other departments or other authorities
- Analysis of enquiries, comments or complaints from the public
- Recommendations from inspections or internal audits
- Information about the local community, including Census and general demographics to establish the numbers of protected groups in your area.
- Results of engagement activities or surveys
- Information from protected groups and other agencies, such as equality organisations and voluntary or community organisations providing services to the public to help you understand the needs or experiences of different groups.

3.4 What are the information gaps?

If you do not have equality information about a particular policy or about some protected groups, consider whether you need to fill these information gaps by surveys or other engagement or stakeholder meetings. This may include, in the longer term, questions included in the District Wide or Citizens Panel surveys, for example, or by making use of community events to test agreement with a policy decision.

3.5 Which groups could usefully be engaged?

Depending on the policy that is being analysed, consider engaging with employees, service users and/or equality organisations. Recent engagement activities that have been undertaken for related policies or strategies may prove useful as a starting place. See the EHRC guide on *Engagement and the equality duty* for further guidance.

4.0 Analysing your equality information

Local authorities should ask one simple question when delivering services to the public:
What will happen, or not happen, if we do things a certain way?

Remember that equality analysis is not simply about identifying and removing negative effects or discrimination – it is also an opportunity to identify ways to advance equality of opportunity and to foster good relations.

4.1 Using your information to understand the effect on equality

Once you have gathered all the relevant equality information together, you will be able to make a judgement about what the likely effect of the policy will be on equality.

Be wary of general conclusions – it is not acceptable to simply conclude that a policy will universally benefit all service users, and therefore the protected groups will automatically benefit, without having evidence to support that in any conclusion.

Understanding the effect on equality will be easier for existing policies. For new policies, you will need to evaluate the proposal against all the information assembled and make a reasonable and informed judgement about whether the policy is likely to have positive or negative consequences for particular groups.

The following questions and answers provide a check to determine whether you consider that your analysis is robust enough to rely on:

• Is the purpose of the policy change/new policy clearly set out?

Robust analysis will set out the reasons for the change; how this change can impact on equality groups, as well as whom it is intended to benefit; and the intended outcome. You should also consider how policies might relate to one another. This is because a series of changes to different or interrelated policies or services could have a severe and consolidated impact on particular equality groups.

Has the analysis considered the available evidence?

The assessment should use the most up-to-date and reliable information about the different groups the proposal is likely to affect. A lack of data is not a sufficient reason to conclude that there is no impact.

• Have those likely to be affected by the policy been consulted and involved?

Involvement and consultation are crucial to the equality analysis process and this will certainly be the case for larger policy discussions/decisions, such as that relating to housing provision, town centre enhancements etc, when it would be more than justified to seek the views of those most directly affected, i.e. disabled people.

• Have potential positive and negative impacts been identified?

It is not enough to state simply that a policy will affect everyone equally – it is rare that it would! There should be consideration of available evidence to see if particular equality groups are more likely to be affected than others are. Equal treatment does not always produce equal outcomes; sometimes authorities will have to take specific steps for particular groups to address an existing disadvantage or to meet differing needs.

• What course of action does the analysis suggest I take? Is it justifiable?

Your analysis should clearly identify the potential equality impacts, the decisions that you have arrived at and the reasons for this decision. All must be documented and retained for subsequent review.

The following questions may be useful to understand the effect of the policy on service users:

- Could the policy outcomes differ between protected groups?
- What are the key findings of your engagement?
- Is there different take-up of services by different groups?
- Could the policy affect different groups disproportionately?
- If there is a greater effect on one group and is that consistent with the policy aims?
- Has the policy delivered practical benefits for protected groups?
- Does the policy miss opportunities to advance equality and foster good relations, including, for example, participation in public life?
- Could the policy disadvantage people from a particular group?
- Could any part of the policy discriminate unlawfully?
- Are there other policies that need to change to support the effectiveness of the policy under consideration?

The findings of your analysis

Having reviewed potential users, and what you know of our local population etc, there are four main steps that you can take with regard to any proposal you are making:

No major change – The analysis demonstrates that the policy is robust and the evidence shows no potential for discrimination or adverse impact.

Adjust the policy – This involves taking steps to remove barriers or to better promote equality. It can mean introducing measures to mitigate the potential effect.

Continue the policy – This means adopting your proposals, despite any adverse effect or missed opportunities to advance equality, provided you have satisfied yourself that it does not unlawfully discriminate.

Stop and remove the policy – If there are adverse effects that are not justified and cannot be mitigated, you will want to consider stopping the policy altogether. If a policy shows unlawful discrimination it *must* be removed or changed.

Documenting your analysis

Documenting your analysis is important to ensure that the general and specific duties are being met

You may want to document some or all of the following areas. There is no legal requirement to put this information into one document, but for ease of reference and in order to establish a corporate standard, we request that it is put into a standard format to improve communication and transparency. That information, collected on the template attached at the end of this report must contain the following;
The person responsible for the policy
The aims of the policy
The key people that are involved, for example decision-makers, staff implementing it
Relevance of the policy to the different arms of the duty and the different protected groups
What equality information is available, including any evidence from your engagement?
What information gaps exist?
What engagement has been done regarding this policy, and the results of this?

What the actual or likely effect of the policy is, regarding the aims of the general equality duty and the protected groups?
What steps you will take in response to the findings of your analysis?
How you will review the actual effect of the policy after implementation?
The timescale for implementation
Sign off of the equality analysis - by a responsible officer for the service and the Head of Policy, Partnerships and Community Development
As part of the internal governance arrangements, completed equality analysis will be quality checked by the Corporate Diversity Group. Part of the remit of this group is to monitor progress on the equality duty, including equality analysis.

A template has been provided to ensure that uniform information is collected at Annex A.

5. Monitoring and review

Equality analysis is an ongoing process that does not end once a policy has been agreed or implemented. Service provision need to change in line with the needs of the service users - demographics can change, leading to different needs, alternative provision can become available or new options to reduce an adverse effect could become apparent. This does not mean repeating the equality analysis, but using the experience gained through implementation to check the findings and to make any necessary adjustments.
Consider:
How you will measure the effects of the policy?
When the policy will be reviewed and what could trigger an early revision?
Who will be responsible for monitoring and review?
What type of information is needed for monitoring and how often it will be analysed?
How to engage stakeholders in implementation, monitoring and review?

6. Decision-making and publication
In order to have due regard to the equality aims in the general equality duty, your decision-making should be based on a clear understanding of the effects on equality. This means that the person who ultimately decides on the policy has to be fully aware of the findings and have due regard of them in making decisions.

Publication

Under the specific duties, equality information published by listed bodies must include evidence of analysis undertaken to establish whether their policies and practices would further or have furthered, the aims of the general equality duty. It is recommended that the Council should publish information on equality analysis alongside the policy or decision that it refers to; arrangements have been made to ensure that reference to equality analysis appears in all formal committee reports on the corporate template and that EIAs are filed alongside those reports to evidence equality compliance.

Glossary

What are the Protected Characteristics?

Age: A person of a particular age (e.g. 32 year old) or a range of ages (e.g. 18 - 30 year olds). NB age is not currently protected under goods and services (this is unlikely until 2012). When considering disadvantage, take into account impacts on children and young people as well as adults, and cross-cutting impacts such as parents and carers (of younger, disabled and older people).

Disability: A person has a disability if s/he has, or has had, a physical or mental impairment which has a substantial and long-term adverse effect on their ability to carry out normal day-to-day activities. Carers are covered by association.

Gender reassignment: A person who is proposing to undergo, is undergoing or has undergone gender reassignment (the process of changing physiological or other attributes of sex, therefore changing from male to female, or female to male).

Pregnancy and maternity: Maternity refers to the period of 26 weeks after the birth (including still births), which reflects the period of a woman's Ordinary Maternity Leave entitlement in the employment context. In employment, it also covers (where eligible) the period up to the end of her Additional Maternity Leave.

Race: A person's colour, nationality, ethnic or national origin.

Religion and belief: Religious and philosophical beliefs including lack of belief. Generally, a belief should affect your life choices or the way you live for it to be included in the definition.

Sex: A man or a woman.

Sexual orientation: A person's sexual orientation towards the same sex (lesbian or gay), the opposite sex (heterosexual) or to both sexes (bisexual). NB does not currently apply to the General Duty.

Marriage and civil partnership: Marriage is defined as a 'union between a man and a woman'. Same-sex couples can have their relationships legally recognised as 'civil partnerships'. Civil partners must be treated the same as married couples on a wide range of legal matters.

Equality Analysis Template

1. Name of activity:	**Council Tax Reduction Scheme**
2. Main purpose of activity:	**To provide a discount on council tax to those on a low income**
3. List the information, data or evidence used in this assessment:	**Council tax reduction claimant data**

4. Assessment

Characteristics	Neutral (x)	Negative (x)	Positive (x)	Describe the person you are assessing the impact on, including identifying: community member or employee, details of the characteristic if relevant, e.g. mobility problems/particular religion and why and how they might be **negatively or positively** affected. **Negative: What are the risks?** **Positive: What are the benefits?**
Community considerations (i.e. applying across communities or associated with rural living or Human Rights)	x☐	☐	☐	**Negative** **Positive**
A person living with a disability	☐	x☐	☐	**Negative** Currently any household where a member of the household is in receipt of personal Independence payment (PIP) or disability living allowance (DLA) will automatically receive 100% discount on their council tax bill, regardless of income. Under the proposed scheme the amount of discount awarded will depend on the assessable income, meaning a household that currently gets 100% discount may be required to make a contribution towards their council tax in future if their household income reaches certain thresholds However, it should be noted that when income is assessed, PIP and DLA benefits received by the applicant, their partner, or any dependents, will be excluded from the calculations. This is known as a 'disregard'. An extra disregard of £50 (weekly) will also apply to all households where the applicant/partner/dependents are in receipt of PIP/DLA. A standard £50 per week disregard will also be provided against all earnings. Carer's allowance will also be disregarded. Other disregards include Child Benefit, and an amount in respect of the housing element of Universal Credit. The combination of these disregards will provide a level of protection for those losing the automatic 100% discount. The aim is to ensure that applicants impacted by disability are not penalised for income designed to

				help them cope with costs incurred in association with this disability, and therefore that this income can continue to be used to support their living with disability. In addition, a limited time Exceptional Hardship Scheme will run to assist those who are struggling to pay and those who have had their entitlement reduced. This scheme will take into account income against essential outgoings (for example, costs associated with living with a disability). **Positive** The positive impact is on all CTR applicants by making the scheme fairer and based on the household income. The current scheme makes an assumption that someone in receipt of disability benefits (for themselves or a household member) needs financial assistance with their council tax which of course may not be the case.
A person of a particular race	x☐	☐	☐	**Negative** **Positive**
A person of a gay, lesbian or bisexual sexual orientation	x☐	☐	☐	**Negative** **Positive**
A person of a particular sex, male or female, including issues around pregnancy and maternity	x☐	☐	☐	**Negative** **Positive**
A person of a particular religion or belief	x☐	☐	☐	**Negative** **Positive**
A person of a particular age	x☐	☐	☐	**Negative** **Positive** There is no change as far as pensioners are concerned as they are subject to a prescribed scheme that means they are unaffected by the proposed changes to the working age scheme.
Transgender	x☐	☐	☐	**Negative** **Positive**

5 Results				
	Yes	**No**		
Were positive impacts identified?	x☐	☐	Positive impact – the new system will help those on the lowest-incomes, many of whom already struggle to pay their council tax bill, and who may struggle more during the cost of living crisis. Pensioners remain unaffected by the proposed changes.	
Are some people benefiting more than others? If so explain who and why.	X☐	☐	Those on lower incomes stand to benefit the most from this scheme. Many on lower incomes under the current scheme are unable to pay, which may lead to wider issues of debt, and stress or mental health crises. The proposals look to simplify the scheme and ensure those on the lowest incomes receive support, particularly in the context of the current cost-of-living crisis. Providing this support may in the long-run help to prevent further strain on other services provided by the local authority and community groups. It should be noted that the proposals do not impact the Single Persons Discount of 25%, as this is set nationally and only affects a person's liability for council tax, rather than the rate of reduction they are due under the Council Tax Reduction Scheme.	
Were negative impacts identified (what actions were taken)	X☐	☐	Those who are in receipt of Disability benefits, or who live with a partner or dependant in receipt of these benefits (PIP and DLA), will no longer be automatically entitled to council tax reduction, as the system will be based on income. However, it should be noted that when income is assessed, PIP and DLA benefits received by the applicant, their partner, or any dependents, will be excluded from the calculations. This is known as a 'disregard'. An extra disregard of £50 (weekly) will also apply to all households where the applicant/partner/dependents are in receipt of PIP/DLA. A standard £50 per week disregard will also be provided against all earnings. Carer's allowance will also be disregarded. Other disregards include Child Benefit, and an amount in respect of the housing element of Universal Credit. The combination of these disregards will provide a level of protection for those losing the automatic 100% discount. The aim is to ensure that applicants impacted by disability are not penalised for income designed to help them cope with costs incurred in association with this disability, and therefore that this income can continue to be used to support their living with disability. In addition, a limited time Exceptional Hardship Scheme will run to assist those who are struggling to pay and those who have had their entitlement reduced. This scheme will take into account	

			income against essential outgoings (for example, costs associated with living with a disability), in order to further support people in these circumstances.

6. Consultation, decisions and actions		
If High or very high range results were identified who was consulted and what recommendations were given?		
Consultation has taken place with the public and partners regarding the proposed changes – 67.78% of respondents were in favour of the proposed changes. Consultation has taken place with Executive member for Finance and IT and with PLB. The proposal will go to Cabinet in December for onward recommendation to Council in January for implementation in April 2023.		
Describe the decision on this activity		
We will have a discretionary scheme to provide some temporary assistance to anyone who will suffer hardship if their entitlement reduces under the proposed scheme (when implemented) We will write to those who will see the biggest reduction and advise them that they can apply for discretionary support.		
List all actions identified to address/mitigate negative impact or promote positively		
Action	Responsible person	Completion due date
Providing various 'disregards' (DLA/PIP; Carers allowance) etc to support those in the Vulnerable Category. Discretionary Exceptional Hardship Scheme to support those who will see the largest reductions. The council will write to these people to advise them that they can apply for this support.	Anne Banner – Benefits Manager	With effect once the new scheme commences.
When, how and by whom will these actions be monitored?		
Anne Banner and Jo Dufficy – monitoring throughout the year to assess the need for adjustments, and broader scheme review in September 2023.		

7. Signatures		
Assessor		
Name: **Anne Banner**	Signature** Anne Banner	
Validated by		
Name: **Jo Dufficy**	Signature** Jo Dufficy	
Forward to the Corporate Policy Team		
Signature** Georgina Chapman		
Assessment date: **November 2022**	Review date: November 2023	

** **Please type your name to allow forms to be sent electronically.**

A copy of this form should be forwarded to the corporate policy team and duplicate filed on the council's report system alongside any report proposing a decision on policy or service change.

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CABINET
13 December 2022

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: Climate Change Strategy 2022-2027

REPORT OF: POLICY AND COMMUNITY ENGAGEMENT MANAGER

EXECUTIVE MEMBER: Executive Member for the Environment and Leisure

COUNCIL PRIORITY: SUSTAINABILITY

1. EXECUTIVE SUMMARY

1.1 This report proposes a refreshed version of the Climate Change Strategy that was originally adopted in 2020, and amended in 2021. This refreshed version is The Climate Change Strategy 2022-2027.

2. RECOMMENDATIONS

2.1 That Cabinet adopt the following documents, taking into consideration the additional actions proposed under each priority area:

- Appendix 1 Climate Change Strategy 2022-2027
- Appendix A Proposed Actions
- Appendix B Achievements

3. REASONS FOR RECOMMENDATIONS

3.1 In 2019, the Council passed a motion to declare a Climate Emergency. In this motion the Council pledged their commitment to do everything within their power to become carbon neutral by 2030. This iteration of the Strategy has been revised to reflect the latest legislation, research, and best practice; and includes additional proposed actions under each priority area to respond to gaps we have identified. Appendix B Achievements lays out progress against each action.

4. ALTERNATIVE OPTIONS CONSIDERED

4.1 There are no alternative options to be considered.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

5.1 The additional proposed actions have been consulted on with the Executive Member for Environment and Leisure, the Officer Lead for Climate Change, and, where relevant, other Executive Members and Service Directors.

5.2 More broadly, the discussions at the Cabinet Panel for the Environment have been taken into consideration in the renewal of the Strategy.

5.3 The original version of this Strategy (including completed and proposed actions) was agreed by the Leadership Team (comprising of Managing Director and Service

Directors), Executive members and Public Liaison Board, as part of the approval process.

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 6th September 2022.

7. BACKGROUND

7.1 The Council has considered climate action to be one of its long-term priority areas for a number of years. Currently this is expressed through the priority of Sustainability in the Council Plan. Following the passing of the Climate Change Emergency Motion in 2019, a new Climate Change Strategy was adopted in 2020.

7.2 This version of the Strategy will be the third iteration, with the 2021 version amending the priorities, reiterating the target for the Council's operations to be net zero by 2030, and bringing forward the target for North Herts to be a net zero district from 2050 to 2040.

7.3 The first priority of the Strategy (*Taking Action*) is designed to further progress towards the 2030 target, while the second and third priorities (*Enabling Savings*, and *Inspiring the Community*, respectively) are designed to work towards the 2040 target for the wider district.

7.4 The Climate Change Strategy relates largely to the reduction of carbon emissions but some actions around adaptation, biodiversity, and broader sustainability initiatives (such as plastic reduction) are also included to enable the Council to address the full range of environmental issues. With this mind, the Strategy will act as the foundation upon which actions arising from other service areas across the Council are built.

7.5 The Council has the ability to influence emissions which occur as a direct result of its own operations, and can utilise its role as a Local Planning Authority (LPA) to improve environmental standards of development within the district. The Council can enhance nature through the decisions it makes on management of its own greenspaces, and also has a role to play in encouraging and making it easier for our residents and businesses to live and operate in a more environmentally-friendly way. As such, the Climate Change Strategy encompasses a wide range of areas for action.

7.6 In the interests of accountability, transparency, and effective monitoring, the new Appendix B Achievements highlights progress against each of the proposed actions listed in Appendix A. This is a clarified way of reporting on our progress and will allow us to identify areas for greater focus.

8. RELEVANT CONSIDERATIONS

8.1 The Strategy outlines the international frameworks and agreements that informed the global response to Climate Change. The Intergovernmental Panel on Climate Change (IPCC)'s 2018 special report on Global Warming highlighted that we should aim to limit global warming to 1.5°C above pre-industrial levels to avoid the most catastrophic impacts of climate change, but noted that efforts to do this (as agreed at the Paris Accord) would require rapid, far-reaching and unprecedented changes in all aspects of society. In tandem, the UK Committee on Climate Change (CCC) similarly asserted in 2019, that Climate Change requires more ambitious reductions and radical actions by national government, local authorities, businesses, communities and individuals. The CCC concluded that if radical steps are taken the UK can end its contribution to global warming within 30 years.

8.2 In line with this research, The Climate Change Act 2008 was amended in 2019 to introduce a target for a 100% reduction of greenhouse gas emissions (compared to 1990 levels) in the UK by 2050. The Climate Change Act 2008 (2050 Target Amendment) Order 2019 came into effect on June 2019. Additionally, in December 2020, the UK Prime Minister announced a new target to reduce the UK's emissions by at least 68% by 2030, compared to 1990 levels. In April 2021, ahead of hosting COP26 (United Nations Climate Change Conference) the government built on these commitments by setting into law the target to reduce emissions by 78% by 2035 compared to 1990 levels.

8.3 The government have also published The Climate Change Strategy 2021-24 which outlines how the government will meet its climate commitments via five strategic pillars, and the Net Zero Strategy 2021 sets how the UK will deliver on its commitment to reach net zero by 2050.

8.4 The most recent IPCC report (2022) finds that, globally, greenhouse gas emissions are continuing to rise and that current plans to address climate change are not ambitious enough to limit warming to 1.5°C. The latest UN report (2022) found that globally, existing carbon-cutting policies are likely to lead to 2.8°C warming. If stated pledges are delivered upon, warming is likely to reach 2.6°C, meaning that further pledges are necessary in order to limit warming to 1.5°C.

8.5 In light of this research, the revised Strategy proposes additional actions under each priority area, and has a renewed focus on adaptation to climate change.

8.6 Appendix A proposes an additional action under the Taking Action priority which states:

All council owned or leased cars and light goods vehicles acquired from 2025 onwards to be zero emission wherever feasible. All heavy goods vehicles acquired from 2025 will have the lowest practical emissions at the time of acquisition. The council will ensure that it has a strategy for dealing with the emissions of any such vehicles by 2030 (if they are expected to be still in use at that time) as part of its organisation wide offsetting plans.

With regards to this, the July 2019 Full Council motion on the transition to Ultra Low Emission Vehicles (ULEVs) should be noted. This was resolved:

"(1) The Council undertakes to only lease or purchase Ultra Low Emission Vehicles (including Electric Vehicles and Plug in Hybrids PHEVs) when the replacement of any council owned or leased vehicle is due. This also includes any company cars used by officers;
(2) The Council also undertakes to encourage all of is contractors to adopt similar measures;
(3) That the implementation of these undertakings shall be subject to agreement by the Cabinet."

https://srvmodgov01.north-herts.gov.uk/documents/b7091/Notice%20of%20Motion%20-%20Ultra%20Low%20Emission%20Vehicles%2011th-Jul-2019%2019.30%20Council.pdf?T=9

The new proposed action seeks to further progress the work which the 2019 motion initiated, with recognition that there may be instances in which it is not possible for certain vehicles to be replaced with zero emission models within the indicated timeframe.

9. LEGAL IMPLICATIONS

9.1 Cabinet's Terms of Reference include at 5.6.1 the power 'to prepare and agree to implement policies and strategies other than those reserved to Council'. The proposed actions at Appendix A detail how the Council plans to meet its target of being carbon neutral in its own operations by 2030, and furthers the priority of Sustainability, as laid out in the Council Plan 2022-2027. The Council Plan's strategic priorities for 2022-2027 provide high level reference points to assist the Council making clear and effective decisions to reduce environmental impact.

10. FINANCIAL IMPLICATIONS

10.1 A number of the proposed actions detailed in Appendix A will require additional resource and costs to achieve. This is likely to include both revenue and capital costs. Some of those actions could then deliver future reductions in costs (e.g. where they then reduce energy usage), but the pay-back of these projects is generally quite long. As part of the annual budget planning process each year it will be necessary to prioritise determine the actions that can be achieved in the coming year(s), and the costs involved (including whether they are capital or revenue). There will be a need to prioritise the actions, in terms of the extent to which they can be delivered and the timing of delivery, to ensure that the overall programme is affordable within the resources that the Council has available. The Medium Term Financial Strategy for 2023-28 sets a target for the delivery of net savings of £2.6m per year by the end of 2027/28. As this is a net target, this does allow for additional costs relating to new priorities but does require that these will increase the gross savings (efficiencies, income generation or service changes) that need to be delivered. Some of the proposed actions will involve capital expenditure. Whilst this will come from capital funding sources (including borrowing), this will also have revenue budget implications/ opportunity costs. A business case will be required to assess the financial and environmental case. Where available the Council will look to access funding from other sources.

11. RISK IMPLICATIONS

11.1 Failure to adopt a refreshed Strategy and action plan could lead to a lack of focus and an uncoordinated approach to delivering the Climate Change related activities that will help the Council achieve its priorities. If the Council fails to plan and respond to the potential negative impacts of Climate Change, there is a risk that services are not able to adapt or respond to changes linked to Climate Change. This could lead to services becoming less resilient and becoming ineffective in responding to changing needs.

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 negative impacts attached to this Strategy. However further equality impact assessments may be undertaken for individual proposed projects.

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 Each of the Proposed Actions will have an individual Environmental impact assessment completed as the projects come to fruition.

14. HUMAN RESOURCE IMPLICATIONS

14.1 A number of the proposed actions detailed in Appendix A will require additional staffing resource to achieve. They will have impacts across a number of teams including planning, estates, property services, leisure, waste, green space, parking and policy. Some of the work may be able to be incorporated in to existing and developing work plans, but it will mean that other activities will be deprioritised.

15. APPENDICES

15.1. Appendix 1 – Climate Change Strategy 2022-27
15.2. Appendix A – Proposed Actions
15.3. Appendix B - Achievements

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17. BACKGROUND PAPERS

17.1 Previous Climate Change Strategy 2021-2026

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Introduction

The issues caused by climate change will have a profound effect on the lives of everyone for many years and decades. That is why in May 2019 North Herts Council declared a climate emergency and committed to take action to address the causes of climate change across the district. We undertook to engage with the community to identify ways in which the Council could work towards the goal of achieving a district with net zero carbon emissions. We recognise that the influence of the Council is wider than the services that it delivers. This revised Climate Change Strategy updates our plans and commitments to build on the results of the work with the community and with other councils across Hertfordshire. It firstly sets out what the Council will do to reduce its own carbon emissions to achieve a carbon neutral position by 2030. It then sets out what we will do to help achieve a net zero carbon district by 2040, both by creating policies which enable other to reduce their emissions, and by encouraging residents and businesses to reduce their own carbon emissions.

Achieving the goals set out in this strategy will not be easy but is essential if we are to avoid an even greater impact on the lives of people across North Hertfordshire.

What is Climate Change

Climate change refers to a large-scale identifiable change in the planet's weather patterns that persists for an extended period, typically decades or longer.

The current period of warming is occurring more rapidly than in the past. Scientific evidence indicates that the natural fluctuation of temperature has been overtaken by a human-induced warming. This warming has come as a result of the changes that have occurred since the onset of the industrial revolution. These changes have serious implications for the future stability of the planet.

Mandate for Climate Action

At the twenty first meeting of the United Nations Conference of the Parties (COP21) to the United Nations Framework Convention on Climate Change (UNFCC) in Paris, member states, including the British government reached a historic agreement to strengthen the global response to Climate Change. This agreement included a landmark commitment to "*holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels*".

Following the Paris Climate Agreement, in 2018 the United Kingdom became the first major developed economy to assess how it will meet the terms of the agreement. After an original target to reduce its greenhouse gas emissions by 80% on 1990 levels and transition to a low-carbon economy by 2050, in June 2019 parliament passed legislation requiring the government to reduce the UK's net emissions of greenhouse gases by 100% relative to 1990 levels by 2050. In other words, the UK should emit net zero greenhouse gases by 2050. This target was adjusted on the recommendation of the UK Committee on Climate Change (CCC), following both the Paris Agreement and a report from the Intergovernmental Panel on Climate Change (IPCC) indicating that global warming should be limited to 1.5°C above pre-industrial levels rather than 2°C, in order to avoid the most catastrophic impacts of climate change. The IPCC have highlighted that achieving this will require rapid, far-

fetching and unprecedented changes in all aspects of society, and that we will need to remove some of the carbon that is already in the atmosphere as well as reduce the amount we continue to emit. Similarly, the CCC report found that more ambitious reductions and radical actions by national government, local authorities, businesses, communities, and individuals would be required. They note that the target is achievable with current technologies and improvements in people's lives, and that given more challenging and well-designed policies, the UK can end its contribution to global warming within 30 years.

In December 2020, the UK communicated its new Nationally Determined Contribution (NDC) under the Paris Agreement, which commits to reducing economy-wide greenhouse gas emissions by at least 68% by 2030, compared to 1990 levels. In April 2021, ahead of hosting COP26 (United Nations Climate Change Conference) the Government announced that it would build on their commitments by setting into law the target to reduce emissions by 78% by 2035 compared to 1990 levels.

The most recent IPCC report (2022) finds that, globally, greenhouse gas emissions are continuing to rise and that current plans to address climate change are not ambitious enough to limit warming to 1.5°C. Moreover, the world's wealthiest countries remain responsible for disproportionately more emissions than the poorest countries (as has historically been the case), but the poorest countries are experiencing more severe climate impacts. Even so, climate change is affecting and will continue to affect all regions of the world. Already, the increase in temperature is having severe impacts in North Hertfordshire and across the UK. Over the last ten years the UK has experienced a variety of climate-related extremes, including record wet winters, major floods, heatwaves, and wildfires, with the ten hottest years on record all having occurred within the last twenty years[1]. In 2018 the UK Met office scientists published their climate projections for the next century based on different rates of greenhouse gas emissions into the atmosphere. The high emission scenario demonstrated that:

- Summer temperatures could be up to 5.4C hotter by 2070; Winters could be up to 4.2C warmer
- The chance of a summer as hot as 2018 is around 50% by 2050
- Sea levels in London could rise by up to 1.15 metres by 2100
- Average summer rainfall could decrease by up to 47 per cent by 2070, while there could be up to 35 per cent more precipitation in winter.
- The Committee for Climate Change stated in its 2018 report – *Managing the coast in a changing climate*, that coastal communities, infrastructure and landscapes in England were already under significant pressure from flooding and erosion.

Current National Policy Environment

The Climate Change Act 2008 is the UK's long-term framework for tackling Climate Change. The Act aims to facilitate the UK's transition to a low-carbon economy by 2050. Since the Climate Change Act 2008, a number of national initiatives have been introduced to help meet targets.

[1] Met Office, *Top Ten UK's Hottest Years on Records All Since 2002*

- **The Carbon Plan 2011** identifies the emission reductions needed in five key areas of the economy; buildings; transport; industry; electricity; and agriculture to meet targets.
- **The Clean Growth Strategy 2017** outlines the plan to grow the national income while cutting greenhouse emissions.
- **The 25 Year Environment Plan** published in 2018, sets comprehensive goals and targets to improve the UK's air and water quality and protect threatened plants, trees and wildlife species.
- **The Resource and Waste Strategy 2018** outlines the actions the UK will take to minimise waste, promote resource efficiency and move towards a circular economy.
- **The Clean Air Strategy 2019** demonstrates how the national government will tackle all sources of air pollution and boost the economy.
- **Climate Emergency Motion** affirmed Parliament's commitment to addressing Climate Change. While there is no single definition of a Climate Emergency, the general consensus is to work toward becoming carbon-neutral by 2030.
- **The Climate Change Strategy 2021-24** outlines how the government will meet its climate commitments via five strategic pillars.
- **Net Zero Strategy 2021** sets how the UK will deliver on its commitment to reach net zero by 2050.

North Herts Council's Approach

The Council has had a long-term focus on climate action and 'Sustainability' is one of our three key priorities outlined in our Council Plan (2022-2027). The warming of the earth brings milder and wetter winters, hotter and drier summers, more intense downpours and more frequent and intense flooding for North Hertfordshire. These changes pose great risk to the Council's service delivery. We want to continue to provide a clean and safe environment for our residents and to deliver our services to a high standard, all in an environmentally sustainable way. This requires us to do what we can to protect the natural and built-up environments, and address the causes and impacts of the climate emergency across all areas, including planning, waste and recycling, greenspace and leisure, environmental crime, and the management of air quality areas.

Over the last two decades we have worked to reduce our carbon (CO_2) emissions and improve energy efficiency across the district.

In 2007 we signed the Nottingham Declaration on Climate Change and in 2009 we published our original Climate Change Strategy. Since then, the Council has passed several motions with the aim of becoming more environmentally sustainable; encouraging residents, businesses and Council staff to Reduce, Reuse and Recycle plastics. Most notably, in 2019, the Council passed a motion to declare a Climate Emergency, in this motion the Council pledged their commitment to do everything within its power to make North Hertfordshire Carbon Zero by 2030. This declaration asserted the Council's commitment toward Climate Action beyond current government targets and international agreements.

Following this declaration, the Council established a Cabinet Panel on the Environment. The Panel is an advisory panel chaired by the Executive Member for Environment and Leisure, and Recycling and Waste alternately. The panel meets approximately six times per year,

and the community and any person or body are welcomed and enabled to participate at meetings. The Panel is a valuable forum for sharing learnings, ideas, and best practice, as well as for consulting residents on the Council's climate and environment work and providing a level of accountability. Terms of Reference for the group can be found on the website.

As part of the declaration, when Council policies are reviewed, specific consideration is given to how the policies and related decisions and actions affect our contribution to climate change, and where necessary, update these policies to reduce our impact where possible. The inclusion of an Environmental implications section within the report and delegated decision template will ensure that impacts and mitigation measures and risks are identified at an early stage.

The Council has formed a Climate Change Implementation Group (CCIG) comprised of Members, senior management, and key officers for the purposes of monitoring and progressing the aims and actions of the Climate Change Strategy. Each meeting of the group focuses on 'spotlighting' a few specific actions from the strategy to induce a discussion about how the action can be progressed.

The Council has also formed a Climate Change Officer Group (CCOG) which looks to draw together work relating to climate and environment from across the different Council departments and identify opportunities for joint working. Both groups meet regularly and the CCOG provides feedback to the CCIG on discussions and ideas arising from the group and the Environment Panel, as well as on any identified gaps in our approach to climate change. The annual review of the Climate Change Strategy, as conducted by the policy team, also allows us to identify gaps for further action.

Mitigation

The Climate Change Strategy relates primarily to the reduction of carbon emissions but in conjunction with the Environment Panel, the Climate Change Implementation Group, the Climate Change Officer Group, and our involvement in the HCCSP and Herts Waste Partnership, the Council is enabled to address the full range of issues relating to climate and environment. This includes matters such as biodiversity and waste; and both mitigation and adaptation to the impacts of climate change.

As such, this Strategy contains certain actions related to waste and biodiversity in so far as they relate to carbon and greenhouse gas reduction.

For instance, different forms of waste management and waste handling practices can impact levels of greenhouse gases emitted. Innovative technologies also provide potential opportunities to produce renewable energy through certain organic waste management processes. High biodiversity levels can improve ecosystem reliability and increase the effectiveness of their functions, one of which is carbon capture. Recent research, for example, has shown that high levels of plant diversity can enhance storage of soil organic carbon.

Trees are probably those most often noted for their carbon sequestration abilities, but hedgerows, grasslands, and wildflower areas also have the capacity to absorb significant amounts of carbon, storing it in woody growth, in leaves, in roots and in the soil.

Efforts to increase biodiversity can therefore be an important means of reducing the amount of carbon dioxide currently in the atmosphere and of off-setting future carbon emissions.

Whilst we recognise that some level of offsetting will likely be necessary to meet our climate targets, reducing our emissions will remain our priority as we play our part to keep warming under 1.5C.

Adaptation

The IPCC note that even if global warming does not exceed 1.5°C in the near-term, there will still be some unavoidable impacts which will create hazards for humans and ecosystems. Some of the unavoidable hazards may include extreme weather, floods, droughts, fires, and reduced crop yields affecting global and local food systems.

If warming exceeds 1.5°C over the coming decades, then hazards will become more severe and difficult to manage. In other words, as well as cutting emissions, we need to ensure our communities are resilient to the impacts of climate change. This is known as climate adaptation and involves adjusting infrastructure or the ways we do things to reduce hazards or our vulnerability and exposure to them. For example, an area which is vulnerable to flooding might need flood defence barriers or planting of trees and hedges to aid water absorption.

The HCCSP has recently established an Adaptation subgroup which is attended by officers from North Herts. This group aims to create a Strategic Action Plan on Adaptation which can be implemented across Hertfordshire. Officers have attended adaptation training as part of this and the group is currently working to create climate risk assessments for each district within the county.

Working in Partnership

The Council remains committed to playing a leadership role in local efforts to address the climate emergency Working in partnership with residents, local businesses, voluntary and community groups, and neighbouring Councils allows a cohesive and joined-up response across the district and county so that we can collaborate on wide-scale projects and share best practice across organisations. Partnership working also allows us to address the limited policy tools and resources available, as well as to explore further opportunities for funding, investment, and sponsorship.

Our climate and sustainability work with other authorities, including Hertfordshire County Council (HCC), and our fellow district and borough councils in Hertfordshire will principally be facilitated by the Hertfordshire Climate Change Sustainability Partnership (HCCSP). This is comprised of HCC, all ten district and borough councils in Hertfordshire, and the Hertfordshire Local Enterprise Partnership which itself looks to bring together the private sector, local authorities, and academic and voluntary organisations.

The HCCSP's aim is to tackle climate, environmental, and sustainability issues across Hertfordshire and there are currently six priority areas identified. These are: Water; Biodiversity; Carbon Reduction; Transport; Behaviour Change; and Climate Adaptation. The Partnership has formed subgroups to develop Strategic Action Plans for each priority area and North Herts Council has led the creation of the Biodiversity Strategic Action Plan. Each

of these Strategic Action Plans are intended as live documents which will undergo regular review in order to respond to changing policy, circumstances, and resources. Each plan's actions are intended to be filtered down into the service delivery plans within each individual council.

The work of the HCCSP and our contribution to it is therefore a major and vital element of our response to the climate and ecological crises. The HCCSP Strategic Action Plans can be accessed here.

We will also continue to make use of more informal networks both within Hertfordshire and beyond it, as well as our Cabinet Panel on the Environment, to share learnings, ideas, and best practice, and to ensure we are approaching climate action in an inclusive, and effective manner.

Decision Making and Strategies

We will embed the objectives and priorities of this Strategy into other relevant strategies and plans, including our Greenspace Management Strategy, Supplementary Planning Documents (SPDs), Transport Strategy when it is updated, and other service plan actions around Electric Vehicle (EV) infrastructure, and decarbonisation of homes. The Strategy will act as the foundation upon which actions arising from other service areas across the Council are built.

We are committed to making consideration of climate change central to our decision-making and actions. Councillors are reminded of the climate emergency we declared and our net zero target at the beginning of all Cabinet and Full Council meetings; and officers are required to consider environmental implications for all decisions taken by Council, Cabinet, Committees, and delegated decisions. Officers are required to conduct a fuller Environmental Impact Assessment (EIA) if the initial analysis finds that there could be notable impacts. The creation of an Executive Portfolio for Environment and Leisure as well as the appointment of a Climate Change Lead from amongst our Service Directorate also allows us to ensure that climate change and our work around it is lead and considered at the highest levels within the Council.

Objectives

● Achieve Carbon Neutrality[i] for the Council's own operations by 2030 (at least Scope 1 and Scope 2)[ii].

● Ensure all operations and services are resilient to the impacts of climate change.

● Achieve a Net Zero Carbon district by 2040.

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

With clear objectives which relate to the Council's own operations and services, as well as to the wider district, this Strategy aims to set priorities and proposed actions to respond to both these elements. Below, *Strategic Priority 1. Taking Action* sets out how the Council intends to reach the target of carbon neutrality for our own operations by 2030; while *Strategic Priority 2. Enabling Carbon Savings* and *Strategic Priority 3. Inspiring the Community* set out our approach to achieving a net zero carbon district by 2040.

Strategic Priorities

1. Taking Action – taking direct action to reduce the Council's carbon emissions.
2. Enabling Carbon Savings – ensuring that our policies enable citizens and businesses to reduce their emissions.
3. Inspiring the Community – encouraging citizens and businesses to take action to go further and faster in cutting carbon emissions.

1. Taking Action – taking direct action to reduce the Council's carbon emissions

Overview

The UK Committee on Climate Change has identified reducing emissions from local authority owned buildings, estates and operations as a key responsibility for local authorities. NHC has made significant efforts to reduce emissions from its estate and operations over the past eighteen years and will continue to plan our work with a view to reducing our energy usage from our own estate. The **three** key areas of focus, below contribute most to the Council's carbon footprint and are areas where the Council has the most scope to influence emissions:

A. Reducing emissions from the District Council's estate and operations.
B. Reducing the need to travel and improving use of sustainable transport in our operations.
C. Reducing our consumption of resources, increasing recycling and reducing waste.

2. Enabling Carbon Savings – ensuring that our policies enable citizens and businesses to reduce their emissions

Overview

The UK Committee on Climate Change emphasises the leadership role local authorities have in supporting residents and businesses to reduce their emissions. The Council will continue seeking to ensure that its policies open up opportunities which enable and make it easier for citizens and businesses to reduce their own emissions.

This will include seeking to provide leadership and support for both businesses and residents to switch to renewable energy, and to adapt to the impacts of planning projects. The Council can play an important role as local planning authority, in reducing carbon emissions and providing further supplementary planning guidance to encourage more sustainable development and work towards carbon neutrality. This is especially important given the strategic amount of growth planned in the district, and the need for the Council to secure sustainable communities through a masterplan-led process and through place leadership.

Alongside this, the Council's overall transport vision for North Hertfordshire remains one based on sustainable transport. We recognise the many benefits of sustainable transport, both to individuals, places, and the environment more widely, and want to seek to reduce car use overall across the district in favour of public transport and active travel. Encouraging people to move towards ultra-low emission vehicles and other forms of sustainable transport is critical to help us achieve our climate change and air quality ambitions.

The Council will thus seek to progress policies in support of the transition to low and zero emission vehicles in line with national targets, ensuring that residents can take advantage of technological changes and that North Hertfordshire remains accessible and attractive for all. Due to limited resources, and acknowledging the advancement of technology through significant private sector investment, this will entail broad partnership working and exploring other means of appropriate funding in order to maximise carbon savings across the district.

3. Inspiring the Community – encouraging citizens and businesses to take action to go further and faster in cutting carbon emissions

Overview

The Climate Emergency is a wide-spread cross-cutting issue, and requires a concerted and coordinated effort. We recognise the value of community-led responses to the climate crisis and know that action from residents, community groups, and businesses, is needed to decarbonise the district and make North Herts net zero by 2040. Local authorities can play a key role in supporting community-led action, and in inspiring and encouraging behaviour change to help people reduce their impact on the environment. We will continue to work in partnership with those in our community to consult, inform, and inspire action which will ensure we mitigate and adapt to the Climate Emergency. We will make use of existing channels and forums such as our Cabinet Panel on the Environment, as well as our new digital engagement platform.

Measuring, Monitoring and Evaluating Impact

This Strategy is accompanied by an Action Plan (appendix A), and a List of Achievements (appendix B). Impact and delivery of the strategy will be measured and monitored annually, and a fuller evaluation will be undertaken in 2025. In addition to this, the Strategy will undergo an annual review which will consider whether it needs to be amended or added to, based on developments in national policy, new research, changed circumstances, available funding opportunities, or our own gap analysis (see NHC's Approach).

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[i] *Carbon Neutrality* is defined by Oxford Languages, as 'making or resulting in no net release of carbon dioxide into the atmosphere, especially as a result of carbon offsetting'. *Net Zero Carbon* is typically held to indicate the same concept, often being described as the balancing of carbon emissions with removal (i.e. you offset or sequester the same amount of carbon emissions that you emit). Though, as The Carbon Trust noted in November 2019, 'Net Zero' does in fact lack an official or commonly agreed definition.

In contrast, *Zero Carbon* is typically considered to mean that there is no emission of Carbon Dioxide at all from a product or service, and therefore no use of offsetting.

It should be further noted, however, that all of the above terms have frequently been used interchangeably and without precision in public discourse.

[ii] According to the Carbon Trust, Scope 1 covers direct emissions from owned or controlled sources. Scope 2 covers indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the reporting company. Scope 3 includes all other indirect emissions that occur in a company's value chain https://www.carbontrust.com/resources/briefing-what-are-scope-3-emissions

North Hertfordshire Council
Climate Change Strategy
Proposed Actions
2022- 2027

Taking Action
Taking direct action to reduce the Council's carbon emissions

Enabling Carbon Savings

Ensuring that our policies enable citizens and businesses to reduce their emissions

Inspiring the Community
Encouraging citizens and businesses to take action to go further and faster in cutting carbon emissions

TAKING ACTION

Objectives

● *Achieve Carbon Neutrality[i] for the Council's own operations by 2030 (at least Scope 1 and Scope 2)[ii].*

● *Ensure all operations and services are resilient to the impacts of climate change.*

Reducing the Council's own carbon emissions by targeting:

Council Buildings and Property

• Ensure that new system installations are renewable electricity rather than gas-fired, where this is deemed the best option after thorough consideration

•Consider replacing gas with electricity from renewable sources where appropriate

• Ensure no new buildings use gas-fired systems

• Explore use of heat pumps (ground source or air source) to provide heating as the technology develops

• Continue to identify ways to improve building energy management systems to reduce waste

• Improve building insulation and conduct lighting surveys to reduce energy outputs

• Increase incorporation of green clauses in leases and licenses for NHC's property estate (e.g encouraging tenants to consider whole life carbon assessments when selecting construction methods or materials in their leased property)

• Build on the environmental, economic, and social sustainability principles presented in NHC's Property Acquisition & Development Strategy when appraising prospective property acquisitions, to ensure pre-acquisition due diligence is comprehensive and not solely focused on financial drivers

• Explore and progress on-site generation of electricity from solar or wind

• Explore opportunities for the sustainable heating of swimming pools

Transport

• In accordance with the Council's 2019 resolution, continue replacing all future operational vehicles leased or purchased by the Council with Ultra Low Emission Vehicles (ULEVs) or zero emission vehicles until the last non-ULEV vehicle leases expire; and encourage contractors to adopt similar measures

• All council-owned or leased cars and light goods vehicles acquired from 2025 onwards to be zero emission wherever feasible. All heavy goods vehicles acquired from 2025 will have the lowest practical emissions at the time of acquisition. The council will ensure that it has a strategy for dealing with the emissions of any such vehicles by 2030 (if they are expected to be still in use at that time) as part of its organisation wide offsetting plans

• Reduce staff and Councillor business travel through use of Zoom and similar technologies as much as possible

• Reduce staff commuting unnecessarily through home working as much as practical

• Explore opportunities around low-emission refuse freighters

Offsetting

• Quantify the contribution that tree planting and soil sequestration within North Herts could make to offsetting the Council's carbon emissions.

• Seek to retain and preserve scrub and woodland edges to protect trees and maintain natural boundaries to woodlands

• Where appropriate, change grass verge cutting regimes to allow more plant species to grow

• Create more wildflower areas across the district

• Seek to strengthen hedgerows and have them connect fragmented habitats

Explore options for the preparation of an evaluation, updated each year showing:

• Carbon savings that have been achieved since the 2019/20 baseline

•The savings identified to make progress towards the carbon neutral by 2030 target

•The savings still to be identified

Continue to consult with the public and with interest groups on strategies for achieving zero carbon emissions for the Council by 2030, and the District by 2040.

TAKING ACTION: 2022 ADDITIONAL ACTIONS

- Provide climate change training for staff and councillors
- Implement relevant actions from the HCCSP strategic action plans on Water, Biodiversity, Carbon, and Transport
- Ensure all other Council strategies reflect the climate emergency and our net zero targets (e.g Air Quality Strategy; Biodiversity Strategy; Green Infrastructure Strategy)
- Investigate low carbon solutions for the next waste contract which will commence in 2025
- Ensure our waste depot has the appropriate infrastructure to support low carbon solutions and our climate targets
- Utilise the Climate Change and Sustainability Officers Group to assign actions to officers and teams, setting measurable outcomes and time frames to develop an internal action plan
- Put in place a process to enable us to identify and collate risks to Council services from climate change, and a framework for how to respond and mitigate
- Explore the potential for offsetting the balance of the Council's irreducible carbon emissions using renewable energy generation
- Establish a way of allocating the cost of offsetting measures to understand the true cost of emission-generating decisions

Having explored options for the preparation of an annual evaluation, we will:

- Publish the findings of our carbon baseline report
- Produce an annual estimate of the Council's carbon emissions that is comparable to the 2019/20 baseline
- Publish forecast progress to achieving our 2030 net zero target
- Establish a process for ascertaining and reporting the carbon impact of proposed projects and decisions

ENABLING CARBON SAVINGS

Objectives

- *Achieve a Net Zero Carbon district by 2040.*
- *Become a district that is resilient to unavoidable impacts of climate change.*

- Work to develop and support policies that encourage electric vehicle use and other 'cleaner air' initiatives across the district, including:
    - Providing more electric car charging facilities in our car parks
    - Exploring the possibility of making it cheaper for zero emission vehicles to use Council car parks compared to petrol and diesel vehicles
    - Working with the County Council to improve the provision of on-street Electric Vehicle (EV) charging
    - Exploring the opportunities for a holistic approach to a town-wide Electric Vehicle strategy which will include all users and operators, both public and private
    - Working with other public and private entities/partners to improve provision of EV charging
    - Progressing the implementation of a better cycle network in North Herts, linking the district and beyond
    - Working with the relevant portfolio holders to prepare an annual Electric Vehicle Action Plan
- Further to the requirement for all new and replaced taxi vehicles to be ultra-low emissions from 2028, explore how we can support transitions to low emission vehicles before this date and to zero emission vehicles when the necessary infrastructure is in place
- Ensure that masterplans and planning applications for new development are designed around streets and routes for active travel (rather than cars) and create walkable neighbourhoods
- Explore how a Sustainability Supplementary Planning Document (SPD) could encourage and provide guidance on how new development can use resources more efficiently, reduce carbon emissions, incorporate carbon sequestration measures, and adapt to climate change
- Introduce a standard within a Sustainability SPD to support more energy efficiency buildings to the equivalent of Level 4 of the Code for Sustainable Homes
- Set out comprehensive planning guidance within a Sustainability SPD on reducing carbon emissions, adapting and mitigating climate change

- Require Passivhaus, BREEAM, or similar standards for all developments on land sold by the Council

- Explore how a Biodiversity SPD could help to provide a clear ecological network plan, further enhance and create new habitat (e.g. woodlands, grasslands, and hedgerows) within new development and on Council owned land as part of an offsetting strategy to deliver biodiversity net gain

- Update the Council's Green Infrastructure Strategy to identify where new green spaces and corridors should be provided as part of new development to support further carbon sequestration, biodiversity, and flood and surface water management

- Signpost residents to funding for retrofitting of insulation, heating and energy reduction features to improve the energy efficiency of existing homes

- Lobby government to introduce more funding for retrofitting of insulation, heating and energy reduction features, for both privately-owned and social housing

- Work with the Herts Waste Partnership (HWP) to investigate how we could secure the use of anaerobic digestion to deal with food waste from 2024

- Ensure recycling and waste collection arrangements promote reduction and reuse

- Encourage and support community tree planting initiatives

- Evaluate the success of the Solar Together Scheme, and explore further renewable energy opportunities for residents, businesses, and community groups – such as the Solar for Business Scheme run by West Suffolk Council.

ENABLING CARBON SAVINGS: 2022 ADDITIONAL ACTIONS

- Work with the Hertfordshire Climate Change and Sustainability Partnership (HCCSP) and our Risk Management group to identify and collate climate risks from across the district and county, and establish how mitigative action could be taken.

- Review opportunities for guidance or policy on renewable energy generation within Supplementary Planning Documents and the Local Plan Review process

INSPIRING THE COMMUNITY

Objectives

● *Achieve a Net Zero Carbon district by 2040.*

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

• Enable residents to assess their carbon emissions, comparing them with the district and best practice

• Encourage residents to make behaviour changes by highlighting positive actions that can be taken, and informing them of more environmentally friendly options

• Encourage alternative models of working and transportation to reduce emissions and impact across the district.

• Work with the HCCSP to promote low carbon construction (timber buildings, offsetting of carbon, etc.)

• Run food waste awareness programmes

• Run waste reduction awareness programmes and continue to support community plastic free initiatives

• Explore opportunities for certification/awards for Green/Sustainable businesses

• Explore the possibility of tree planting awards

• Consult with the public to identify further means by which the Council can assist the residents and businesses of North Herts to achieve the target of zero emissions across the district by 2050

• Develop communications to raise awareness of the benefits of retrofitting of insulation, heating and energy reduction features, and the long-term cost-saving potential

INSPIRING THE COMMUNITY: 2022 ADDITIONAL ACTIONS

- To create and execute a Climate Comms plan which promotes the Council's climate initiatives and encourages residents to engage and take action.

- Use our new community engagement platform to encourage resident participation on climate change issues. This will be used to target residents that may not have previously engaged with the climate change agenda.

- Recruit a shared Waste Awareness Officer with East Herts Council prior to the new waste contract commencing in 2025, to encourage waste minimisation and recycling habits.

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[i] *Carbon Neutrality* is defined by Oxford Languages, as 'making or resulting in no net release of carbon dioxide into the atmosphere, especially as a result of carbon offsetting'. *Net Zero Carbon* is typically held to indicate the same concept, often being described as the balancing of carbon emissions with removal (i.e. you offset or sequester the same amount of carbon emissions that you emit). Though, as The Carbon Trust noted in November 2019, 'Net Zero' does in fact lack an official or commonly agreed definition.

In contrast, *Zero Carbon* is typically considered to mean that there is no emission of Carbon Dioxide at all from a product or service, and therefore no use of offsetting.

It should be further noted, however, that all of the above terms have frequently been used interchangeably and without precision in public discourse.

[ii] According to the Carbon Trust, *Scope 1* covers direct *emissions* from owned or controlled sources. *Scope 2* covers indirect *emissions* from the generation of purchased electricity, steam, heating and cooling consumed by the reporting company. *Scope* 3 includes all other indirect *emissions* that occur in a company's value chain https://www.carbontrust.com/resources/briefing-what-are-scope-3-emissions

North Herts Council
Climate Change Strategy
Proposed Actions 2021 - 2026
Progress - Updated August 2022

TAKING ACTION

ACTION	PROGRESS TO DATE
Council Buildings and Property	
• Consider thoroughly, and ensure that new system installations are renewable electricity rather than gas-fired, where this is deemed the best option	*This will arise as and when new system installations occur.*
• Consider replacing gas with electricity from renewable sources where appropriate	*Pending*
• Ensure no new buildings use gas-fired systems	This will arise as and when new buildings are built
• Explore use of heat pumps (ground source or air source) to provide heating as the technology develops	The policy team has been researching the viability of different types of heat pumps at leisure centres and discussions are ongoing regarding obtaining necessary funding to implement this.
• Continue to identify ways to improve building energy management systems to reduce waste	LED lights have been installed in multi storey car parks and in some open space areas. A number of schedule settings have been set up on the heating and air conditioning system within district council offices Building Energy Management system settings have been reviewed. The Display Energy Certificates, which can be viewed on our website, indicate the Council building's improved energy efficiency since 2019. Energy efficiency measures have been implemented at Leisure Centres in the districts including installing pool covers at North Herts Leisure Centre and replacing pool covers at Hitchin Swimming Centre, and updating and installing LED lighting throughout the facilities run by Stevenage Leisure Ltd.

• Improve building insulation and conduct lighting surveys to reduce energy outputs	Pool covers installed at North Herts Leisure Centre and pool covers replaced at Hitchin Swimming Centre in 2021 Update and install LED lighting throughout SLL facilities in 2021 Leisure facilities have had a mechanical and electrical (M&E) survey completed. This will give more detail on energy renewal possibilities An M&E survey of Hitchin Town Hall and North Herts Museum has been completed
• Increase incorporation of green clauses in leases and licenses for NHC's property estate (e.g. encouraging tenants to consider whole life carbon assessments when selecting construction methods or materials in their leased property)	Estates & Asset Management has placed increased emphasis on introducing green clauses in leases and other property agreements. The aim has been to promote consideration by tenants of the operational energy efficiency of their leased properties and the implications of embodied carbon when selecting materials or methods planned for use in building alterations.
• Build on the environmental, economic, and social sustainability principles presented in NHC's Property Acquisition & Development Strategy when appraising prospective property acquisitions, to ensure pre-acquisition due diligence is comprehensive and not solely focused on financial drivers	Due diligence enquiries made to property vendor on energy efficiency credentials of prospective property purchase. To promote robust decision-making on buying commercial property by extending the appraisal beyond pure financial criteria.
• Explore and progress on-site generation of electricity from solar or wind	Solar PV panels have been installed on the roof of the District Council Offices (Nov 2021). We have commissioned a net zero roadmap to be produced and are investigating relevant options for other council sites, including leisure centres.
• Explore opportunities for the sustainable heating of swimming pools	The policy team has been researching the viability of different types of heat pumps at leisure centres and discussions are ongoing regarding obtaining necessary funding to implement this. Report from OnGen (Provided through Energy Hub) completed looking at renewable energy proposals including solar PV options on 5 sites. A project to install solar thermal panels to hear Royston Leisure Centre's pools has been approved. This is due to take place in 2022/23.
Offsetting	
• Quantify how much land we would need to plant trees on to offset 5% of the Council's 2019/20 carbon emissions, and work towards this goal as is feasible, both as area planting and single specimen planting	*Pending*
• Seek to retain and preserve scrub and woodland edges to protect trees and maintain natural boundaries to woodlands	*Pending*

• Where appropriate, change grass verge cutting regimes to allow more plant species to grow	The contract with John O'Connor (grounds maintenance service) was renegotiated in 2021 to include more environmentally friendly practices such as cutting highway verges less frequently. Budget confirmed and £25k allocated for implementation of additional wilding schemes from those set out in the Wilding Audit prepared for the council by Countryside Management (Feb 2022)
• Create more wildflower areas across the district	Areas of grass that were previously mown have been allowed to grow wild during the Summer months in 2021 and 2022. Sites that have areas designated for wild meadows include areas designated as Local Nature Reserves as well as the sites below: • Avenue Park, Baldock • Clothall Common, Baldock • Baldock Road Recreation Ground, Letchworth Garden City • Letchworth Gate, Letchworth Garden City • Jackmans Central Playing Field, Letchworth Garden City • Cadwell Lane Playing Field, Hitchin • Butts Close, Hitchin • Walsworth Common, Hitchin • Wilbury Road Recreation Ground, Letchworth Garden City
• Seek to strengthen hedgerows and have them connect fragmented habitats	*Pending*
• In accordance with the Council's 2019 resolution, continue replacing all future operational vehicles leased or purchased by the Council with Ultra Low Emission Vehicles (ULEVs) or zero emission vehicles until the last non-ULEV vehicle leases expire (2022); and encourage contractors to adopt similar measures	Vehicles are being reviewed as they come up for renewal. The Council's fleet is made up of 15 vehicles, with one new electric vehicle received in 2022, and three others currently on order.
• Begin transitioning to zero emission vehicles as leases come up for expiry from 2025	Four electric vehicle charging points have been installed at the District Council Offices to charge council fleet electric vehicles.
• Reduce staff and Councillor business travel through use of Zoom and similar technologies as much as possible	Throughout 2021 and 2022, meetings have continued to be held virtually and as hybrid meetings. Laptop rollout completed in 2021, for staff and Councillors, to enable video conferencing and hybrid working between home and office
• Reduce staff commuting through home working as much as practical	Policies have been put in place to encourage staff to work from home more, post-pandemic, and reduce travel to meetings to lower emissions. This includes the changes in the flexible working policy which allows staff to request flexible working arrangements from day one of employment, and the laptop rollout to enable hybrid working between home and office. Every month in 2021, articles have been published in the staff newsletter, encouraging staff to take action to reduce their environmental impact and personal emissions including reducing gas, electricity water use as well as

	encouraging other environmentally positive behaviour changes
• Explore opportunities around low-emission refuse freighters	Vehicle demonstration day held on 15th October 2021. Further work is ongoing to assess the viability of specific vehicle types and associated infrastructure in advance of vehicle replacement in 2025.
• Explore the creation of a 5-Year Plan to reduce emissions from the waste fleet	RCVs have all been fitted with additional technology to monitor driver telematics. We are in the data collection phase and it is hoped that providing information and training to drivers will help reduce carbon emissions as part of the service Carbon Management Plan.
Explore Options for the preparation of an evaluation, updated each year showing: • Carbon savings that have been achieved since the 2019/20 baseline •The savings identified to make progress towards the carbon neutral by 2030 target •The savings still to be identified	The Corporate Policy Team is producing a carbon emission estimate for the Council's emissions from 2021. This will be comparable to the baseline estimate (2019/20). A consultant has been commissioned to produce a road map to net zero to identify a timeline and actions that can be taken to achieve our net zero targets. This work is ongoing.
Continue to consult with the public and with interest groups on strategies for achieving zero carbon emissions by 2030	The Cabinet Panel on the Environment continues to engage with individuals and the community, act as a sounding board on community ideas and projects and seek evidence and views as appropriate.
Additional Action *This action has been achieved in addition to our commitments outlined in the climate change strategy.*	Last planting season (2020-2021) 159 trees were planted, from standards to extra heavy standards. This year's planting season (2021-2022) includes 103 standards to extra heavy standards and 250 mixed whips
Additional Action *This action has been achieved in addition to our commitments outlined in the climate change strategy.*	A carbon emissions assessment was completed of our most high-energy using sites, vehicle fleet, mileage reimbursement system, staff commuting, council waste and council water usage. This includes data from 2019/20 to be used as a baseline.
Additional Action *This action has been achieved in addition to our commitments outlined in the climate change strategy.*	Work has continued within the Hertfordshire Climate Change and Sustainability Partnership (HCCSP) to lead on the development of a Biodiversity Strategic Action Plan for the county. Actions plans have now been published for water, biodiversity, carbon and transport and can be found on the HCCSP web page.
Additional Action *This action has been achieved in addition to our commitments outlined in the climate change strategy.*	At Hitchin Town Hall, investment is being made in glassware and related commercial cleaning equipment, whilst at events for which glassware is inappropriate (such as busy, lively concerts etc) plastic vessels have already been replaced with compostable alternatives. The North Herts Museum café meanwhile continues to maximise the use of recycled and recyclable materials and minimising any use of plastics.

Additional Action *This action has been achieved in addition to our commitments outlined in the climate change strategy.*	The hydraulic lifts, which were at the end of their life were replaced with a modern electric traction lift in 2021. An estimated 40% energy saving is expected in the operating costs of the lifts.
Additional Action *This action has been achieved in addition to our commitments outlined in the climate change strategy.*	The Council is working to produce a wilding audit on Council owned land using the DEFRA metric, and is seeking advice on what further habitat creation could be provided on Council owned sites

Enabling Carbon Savings

• As part of the 'Sustainable North Hertfordshire' programme, work to develop and support policies that encourage electric vehicle use and other 'cleaner air' initiatives across the district, including:	
o Providing more electric car charging facilities in our car parks	Capital bid for EV chargers for 22/23 - bid was prepared for government funding to cover 75% of costs of installing additional charging points in our car parks (plus, proposed to seek remaining 25% from private sector) The Council is working towards having EV charging points in each of the Council car parks. This is intended for resident's off-streetcar parking.
o Exploring the possibility of making it cheaper for zero emission vehicles to use Council car parks	*Pending*
o Working with the County Council to improve the provision of on-street Electric Vehicle (EV) charging	County-wide EV Charging Strategy – Hertfordshire County Council (HCC) has provided North Herts Council with access to the EV Ready Toolkit. This mapping application is helping officers identify where EV charge points will be needed to serve households that do not have off-street parking, and hence will be unable to charge an EV at home. HCC is consulting with Local Authorities on guidance and conditions on providing on-street charge points. This aligns with HCC's central policy of preferring destination (workplaces, supermarkets, leisure centres, etc) and hub (car parks, fuel stations and dedicated charging stations) locations to on-street.
o Exploring the opportunities for a holistic approach to a town-wide Electric Vehicle strategy which will include all users and operators, both public and private	*Pending*
o Working with other public and private entities/partners to improve provision of EV charging	The Council has applied for central government funding to install Electric Vehicle charging points.

o Progressing the implementation of a better cycle network in North Herts, linking the district and beyond	The Council is working with Hertfordshire County Council to produce a cycling infrastructure plan. The draft Local Cycling and Walking Infrastructure Plan is being finalised to for public consultation, following detailed review by Herts County Council and North Herts Council officers. It is expected that the consultation will start in early July and run for six weeks. In combination with the Growth and Transport Plan, North Herts will have a large array of schemes to develop and deliver as and when funding becomes available – from central government and Section 106 agreements with developers.
o Working with the relevant portfolio holders to prepare an annual Electric Vehicle Action Plan	*Pending*
• Further to the requirement for all new and replaced taxi vehicles to be ultra-low emissions from 2028, explore how we can support transitions to low emission vehicles before this date and to zero emission vehicles when the necessary infrastructure is in place	*Pending*
• Ensure that masterplans and planning applications for new development are designed around streets and routes for active travel (rather than cars) and create walkable neighbourhoods	To be determined following the adoption of the Local Plan Work is underway to produce SPDs including for biodiversity and sustainability Sustainability principles have been taken to Cabinet in advance of SPDS (June 2022)
• Explore how a Sustainability Supplementary Planning Document (SPD) could encourage and provide guidance on how new development can use resources more efficiently, reduce carbon emissions, incorporate carbon sequestration measures, and adapt to climate change	To be determined following the adoption of the Local Plan Work is underway to produce SPDs including for biodiversity and sustainability Sustainability principles have been taken to Cabinet in advance of SPDS (June 2022)
• Introduce a standard within a Sustainability SPD to support more energy efficiency buildings to the equivalent of Level 4 of the Code for Sustainable Homes	To be determined following the adoption of the Local Plan Work is underway to produce SPDs including for biodiversity and sustainability Sustainability principles have been taken to Cabinet in advance of SPDS (June 2022)
• Set out comprehensive planning guidance within a Sustainability SPD on reducing carbon emissions, adapting, and mitigating climate change	To be determined following the adoption of the Local Plan Work is underway to produce SPDs including for biodiversity and sustainability Sustainability principles have been taken to Cabinet in advance of SPDS (June 2022)
• Require Passivhaus, BREEAM, or similar standards for all developments on land sold by the Council	During 2021, negotiations were underway regarding the sale of North Hertfordshire's freehold interest in land south of Clare Crescent, Baldock. This has acted as a test case of requiring higher environmental standards and has resulted

	in some passivhaus compliant elements being included. More information can be found on our website: 9. Record of decision made under delegated authority - NHDC Estates 31st January 2022 - PART 1.pdf (north-herts.gov.uk)
• Explore how a Biodiversity SPD could help to provide a clear ecological network plan, further enhance, and create new habitat (e.g. woodlands, grasslands, and hedgerows) within new development and on Council owned land as part of an offsetting strategy to deliver biodiversity net gain	To be determined following the adoption of the Local Plan Work is underway to produce SPDs including for biodiversity and sustainability Sustainability principles have been taken to Cabinet in advance of SPDS (June 2022)
• Update the Council's Green Infrastructure Strategy to identify where new green spaces and corridors should be provided as part of new development to support further carbon sequestration, biodiversity, and flood and surface water management	*Pending*
• Signpost residents to funding for retrofitting of insulation, heating, and energy reduction features to improve the energy efficiency of existing homes	Warmworks (government funded scheme for retrofitting and increasing energy efficiency) and Energy Efficient Home Scheme (includes funding retrofitting cavity wall and loft insulation) have been promoted to residents on Outlook spring edition 2022 as well as other publications. Schemes for various businesses are being promoted. There are currently (June 2022) two main schemes for environmental improvements, one providing grants up to £5k and a larger one providing grants up to £25k
• Lobby government to introduce more funding for retrofitting of insulation, heating, and energy reduction features, for both privately-owned and social housing	*Pending*
• Work with the Herts Waste Partnership (HWP) to investigate how we could secure the use of anaerobic digestion to deal with food waste from 2024	*Pending*
• Ensure recycling and waste collection arrangements promote reduction and reuse	Ongoing
• Encourage and support community tree planting initiatives	Completed a 10,000 free tree giveaway to North Herts residents (Autumn 2021 - Spring 2022)
• Explore opportunities for Solar schemes for residents, businesses, and community groups – such as those run by West Suffolk Council and South Cambridgeshire Council	A Solar Together Project (group buying scheme for residents) has been arranged to go live in Autumn 2022.
Additional Action *This action has been achieved in addition to our commitments outlined in the climate change strategy.*	Sustainable Travel Towns (STT) – The Officer Working Groups (OWGs) for the Letchworth and Royston STTs are preparing a draft governance framework for each STT. Once adopted, the OWGs will develop an implementation plan based on the Outline Plans.
Additional Action	Working with Hertfordshire County Council on bus service improvement plan to encourage and enable sustainable travel

This action has been achieved in addition to our commitments outlined in the climate change strategy.	

Inspiring the Community

• Enable residents to assess their carbon emissions, comparing them with the district and best practice	Carbon calculators have been considered by the policy team and this has been raised within the cabinet panel on the environment (November 2021). The Council has shared and publicised the WWF carbon calculator to residents and staff in 2022 and has promoted this at local green festivals and events, encouraging individuals to assess their own carbon emissions and receive personalised suggestions to reduce their carbon footprint.
• Encourage residents to make behaviour changes by highlighting positive actions that can be taken, and informing them of more environmentally friendly options	Throughout 2021, a monthly article was produced on eco-friendly actions published to staff and residents with individual suggestions also being shared as social media posts. The council prepares a quarterly communications plan highlighting relevant environmental dates to inform residents of what environmental action the Council is taking as well as highlighting what individuals can do to contribute (2022) The council is working with HCC on Sustainable Travel Towns to encourage behavioural change for sustainable travel uptake
• Promote zero carbon construction (timber buildings, offsetting of carbon, etc.)	*Pending*
• Run food waste awareness programmes	• Appointment of waste awareness officer who was in post during 2021. • Ongoing waste minimisation communications, including food waste pledge • Creation of waste warriors Facebook page to encourage residents to reduce waste
• Run waste reduction awareness programmes and continue to support community plastic free initiatives	• Appointment of waste awareness officer who was in post during 2021. • Ongoing waste minimisation communications • Creation of waste warriors Facebook page to encourage residents to reduce waste
• Explore opportunities for certification/awards for Green/Sustainable businesses	The Council has been liaising with local BIDs to understand what support would be helpful for local businesses to address the climate crisis, including the possibility of certification / awards for green/ sustainable businesses.
• Explore the possibility of tree planting awards	*Pending*
• Consult with the public to identify further means by which the Council can assist the residents and businesses of North Herts to achieve the target of zero emissions across the district by 2050	The Cabinet Panel on the Environment continues to engage with individuals and the community, act as a sounding board on community ideas and projects and seek evidence and views as appropriate. Cabinet Panel on the Environment | North Herts Council (north-herts.gov.uk)

• Develop communications to raise awareness of the benefits of retrofitting of insulation, heating and energy reduction features, and the long-term cost-saving potential	The council is working in partnership with Warmworks and has promoted the Green Homes Grant scheme to residents. This is a government grant scheme that funds a range of energy efficiency measures including. This information has most recently been included on the council's Easing the squeeze: help with the cost of living web page (Published April 2022).

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CABINET
13th December 2022

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: North Herts Council's Equality, Diversity, and Inclusion Strategy 2022-2027

REPORT OF: *Policy and Communities Manager*

EXECUTIVE MEMBER: *Executive Member of Community Engagement*

COUNCIL PRIORITY: PEOPLE FIRST; A BRIGHTER FUTURE TOGETHER

1. EXECUTIVE SUMMARY

1.1 This report proposes a refreshed Equality, Diversity, and Inclusion (EDI) Strategy and revised Equality objectives to comply with the specific duty to publish one or more as set out by the Public Sector Equality Duty 2010.

2. RECOMMENDATIONS

2.1. That the Cabinet be recommended to:

2.2. Approve the Council's Equality, Diversity and Inclusion Strategy 2022-2027 as attached at Appendix 1.

2.3. Approve the Equality objectives as set out below:

1. Work with young people through youth engagement to make it easier for them to have their voices heard in local decision-making and democracy.
2. Improve our engagement with marginalised, seldom heard, and new communities to make it easier for them to participate in local decision-making and democracy, and to have their views and experiences heard by the council.
3. Improve our understanding of broader EDI issues and their impacts, such as neurodiversity and economic disadvantage; as well as the intersections between inequalities, using our Inclusion Group as a channel.
4. Achieve consistency in measuring the likely equality impacts of our emerging policies and services.

3. REASONS FOR RECOMMENDATIONS

3.1 The previous Corporate Equality Strategy (2017) was revised to ensure consistency with the latest public sector equality legislation and obligations. The refresh of the Strategy reflects the Council's ongoing commitment to fulfil our legal obligations as set out in the Equality Act and to set out the new equality objectives.

4. ALTERNATIVE OPTIONS CONSIDERED

4.1 That the Strategy remains as it is. The Strategy would not align with the current relevant Council priorities with the Council plan (People First and A Brighter Future Together). Additionally, since 2017 the environment in which councils operate has substantially altered - i.e., the ongoing impact of the pandemic and the cost-of-living crisis.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

5.1 No external consultation has been undertaken in preparation of this report. The Executive Member for Community Engagement (Cllr Judi Billing), The Leader of the Council, Corporate Policy team, and Service Director for Legal and Community were consulted on the revisions of the 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 14th February 2022.

7. BACKGROUND

7.1. The original Corporate Equality Strategy was agreed in 2009. The Strategy was further amended in 2017 to include any references to the Public Sector Equality Duty and the obligations that it placed on public bodies when shaping policy, delivering services and in relation to employees. The previous iterations did not also reflect the demographic changes of the community since they were published. Specifically, the Census data of 2011 and latest Office for National Statistics data.

7.2. Following the sad passing of Cllr Judi Billing MBE, the foreword for this Strategy stands as a tribute to her work as the Executive Member for Community Engagement, and a reminder of her passion for equality and the communities she served. This passion is captured in the Strategy and its objectives, which stand as only a small part of Judi's legacy.

8. RELEVANT CONSIDERATIONS

8.1 The Public Sector Equality Duty was created by the Equality Act 2010, and replaces the race, disability and gender equality duties. It is supported by the specific duties contained in The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, which have replaced the Equality Act 2010 (Specific Duties) Regulations 2011.

8.2 The Strategy and objectives commit the Council to deliver good practice on Equality, Diversity and Inclusion as a community leader, service provider and employer. As a statutory document it sets out the scope, legal responsibilities (both general and specific), commitment and equality objectives.

8.3 The Strategy proposes the following Equality objectives:

- Work with young people through youth engagement to make it easier for them to have their voices heard in local decision-making and democracy.

- Improve our engagement with marginalised, seldom heard, and new communities to make it easier for them to participate in local decision-making and democracy, and to have their views and experiences heard by the council.

  These groups may include but are not limited to:

  Black and minority ethnic groups; refugees and asylum seekers; disabled people.

- Improve our understanding of broader EDI issues and their impacts, such as neurodiversity and economic disadvantage; as well as the intersections between inequalities, using our Inclusion Group as a channel.
- Achieve consistency in measuring the likely equality impacts of our emerging policies and services.

8.4 In direct refence to these objectives the Strategy also proposes the following measures:

Objective	Measures
1. Work with young people through youth engagement to make it easier for them to have their voices heard in local decision-making and democracy.	Engage with 20 youth organisations per year. Schools' visits with Councillors on a termly basis.
2. Improve our engagement with marginalised, seldom heard, and new communities to make it easier for them to participate in local decision-making and democracy, and to have their views and experiences heard by the Council.	Engage with 40 organisations representing marginalised/new/seldom heard groups per year. Support events which provide a platform for the experiences of marginalised, new, and/or seldom heard communities.
3. Improve our understanding of broader EDI issues and their impacts, such as neurodiversity and economic disadvantage; as well as the intersections between inequalities, using our Inclusion Group as a channel.	Inclusion Group meeting focused on neurodiversity during 2023/24. Inclusion Group review of topics for consideration during 2023/24.
4. Achieve consistency in measuring the likely equality impacts of our emerging policies and services.	Development of a Council-wide approach to Equality Impact Assessments during 2023/24.

8.5 Our commitment is underpinned by the current People First priority and the Brighter Future Together priority, laid out in the Council Plan[1]. These priorities states that we value all our residents, businesses, staff, contractors, councillors, and other partners, and place them at the heart of everything; and that we plan for the long-term so that the district continues to thrive.

[1] Council Plan page

8.6 The formation of the officer lead Inclusion Group seeks to drive the equality, diversity and inclusion agenda forward within the organisation. The Group is open to all officers and aims to gain a greater understanding of the perspective of all employees. This includes the experiences of those who share a protected characteristic as defined by the Equality Act 2010. The group is also able to feedback and propose actions to the Leadership Team.

8.7 Further information also accompanies this report to assist Members, in the form of Appendix B – Progress to Date, Appendix C – EDI Strategy glossary and Appendix D – Equality profile of North Hertfordshire (the last being partly based on the new 2021 census data, as the ONS is yet to publish some of the data sets).

9. LEGAL IMPLICATIONS

9.1 Cabinet's terms of reference include at 5.6.1 the exercise of the following function "to prepare and agree to implement policies and strategies other than those reserved to Council".

9.2 Listed authorities are required to prepare and publish one or more objectives which they consider they should achieve the aims as set out in paragraph (a) to (c) of subsection (1) of s.149 of the Act (i.e., to eliminate discrimination, harassment victimisation and any other conduct that is prohibited by or under this Act, advance opportunity between persons who share a protected characteristic and those who do not, and foster good relations between those who share a protected characteristic and those that do not.

10. FINANCIAL IMPLICATIONS

10.1. There are no direct revenue, capital or financial implications arising from this report.

11. RISK IMPLICATIONS

11.1 NHDC strives to offer equality of opportunity in its service provision. Public authorities are legally obliged to promote this equality of provision and not to merely avoid discrimination. There is a risk if this provision is not offered then non-compliance with legislation could lead to the EHRC taking steps to encourage compliance before moving to enforcement, as outlined above. This is also the potential unequal treatment of staff and the wider North Hertfordshire community. As such, the Council would not be able to achieve its commitment of achieving equality of opportunity as an employer, a provider of services and as a community leader.

11.2 As long as the Council has a robust strategy and processes in place to demonstrate that due regard is being shown, then the risk of non-compliance is well managed.

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 Equality Strategy directly demonstrates the Council's obligation to show due regard to equality legislation in its decision-making process and service provision. As part of this

ongoing function, Equality Impact assessments (EqIA) will be conducted throughout the civic year.

13. SOCIAL VALUE IMPLICATIONS

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

14. ENVIRONMENTAL IMPLICATIONS

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

15. HUMAN RESOURCE IMPLICATIONS

15.1 The Corporate Policy team have responsibility for the maintenance of the Equality, Diversity, and Inclusion Strategy and other specific corporate actions. The other Council actions identified in the Strategy are / will become a part of the services provided to the community. The formation of the officer lead Inclusion group seeks to drive the equality, diversity, and inclusion agenda forward within the organisation. This is supported by existing officer resource.

16. APPENDICES

16.1 Appendix A – North Herts Council Equality, Diversity, and Inclusion (EDI) Strategy
Appendix B – Progress to Date
Appendix C – EDI Strategy glossary
Appendix D – Equality profile of North Hertfordshire

17. CONTACT OFFICERS

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18. BACKGROUND PAPERS

18.1 Council plan 2022 -2027– Council Plan | North Herts Council (north-herts.gov.uk)

Corporate Equality Strategy 2017- 2022 - Equality and diversity | North Herts Council (north-herts.gov.uk)
Public Sector Equality Act 2010 - Equality Act 2010 (legislation.gov.uk)

North Herts Council

Equality, Diversity, and Inclusion Strategy

Foreword

Despite progress made on various equalities issues over recent years, the COVID-19 pandemic, closely followed by the Cost of Living crisis, has both highlighted and exacerbated serious health and economic inequalities within our communities, and these are likely to deepen during the next months and years. As well as this, other forms of disadvantage, discrimination and inequality continue to exist, and manifest themselves in many different ways and in a range of contexts every single day.

The Council has a key role to play in advancing equality, fostering good relations between different groups within our community, and helping those who are disadvantaged to feel heard, represented and given practical help and support in our systems of local democracy and the decisions that are made here.

Beyond equality and the duties placed on us by The Equality Act, working to improve diversity and inclusion can make a significant difference to the experiences of our residents, staff and councillors, helping them feel welcome and valued for their differences.

Over the last year, I have been particularly proud of North Herts' response to welcoming and supporting refugees from Ukraine, and of all the other work we have undertaken to engage with a wide range of communities. We want everyone to have the ability to actively participate in local democracy and civic life, and to feel that the Council both represents and supports them. This is vital as a large contributor towards our Council objective of putting People First.

I am therefore pleased to introduce the Council's Equality, Diversity, and Inclusion Strategy for 2022-2027. The Strategy sets out our objectives within the district, as a promoter of electoral democracy, and as an employer.

Cllr Judi Billing MBE
(Executive Member for Community Engagement May 2019 – November 2022)

1. Introduction

This Strategy sets out North Herts Council's approach to equality, diversity and Inclusion and builds on our previous Corporate Equality Strategy (2017), demonstrating our continued commitment towards fulfilling our legal obligations as set out in the Equality Act 2010, as well as striving to go beyond our legal duties in advancing equality, celebrating diversity, and promoting inclusion across our services and workforce.

We recognise that disadvantage and discrimination are still experienced across the district and that people may experience more than one form of discrimination at some stage in their lives. North Herts Council are resolute that disadvantage and discrimination have no place in our district, and we will work within our powers to eliminate discrimination, advance equality of opportunity and foster good relations between different groups, to work towards a brighter future together.

As an employer, the Council is committed to equality of opportunity and recognises the benefits of a diverse workforce and inclusive culture. This can help all staff feel valued, and allows for a wide-range of skills, ideas, and perspectives, and a better knowledge and understanding of the different communities that make up North Herts.

This strategy sets out our vision for furthering equality, diversity, and inclusion at the council and within the district.

2. Understanding equality, diversity and inclusion

- **Equality** means that all individuals are treated fairly and have access to the same opportunities, resources, and services as others. Equal opportunities require equitable provisions.

- **Equity** means providing various levels of support and assistance depending on specific needs and abilities. This requires eliminating barriers which may prevent individuals from accessing equal opportunities, as well as providing appropriate support to ensure that equal outcomes are accessible to everyone. Individual needs may therefore need to be met in different ways.

- **Diversity** is the difference of characteristics between individuals. Diversity within the Council is employing, serving and engaging with people who have a range of different backgrounds, experiences, and ideas. We recognise, respect, and celebrate the added value that differences bring.

- **Inclusion** is actively providing equal access to opportunities and resources; ensuring that nobody is excluded or marginalised due to their identity, personal characteristics, or background. An inclusive environment is one where everyone feels welcomed, valued, able to contribute, and able to succeed.

3. Scope: Who does the strategy apply to?

This Policy applies to all those who live, work in, and visit North Hertfordshire.

This includes:

- Elected Members / Councillors
- Council Employees, volunteers, agency workers, consultants
- Suppliers, sub-contractors and partners in supply chain
- Residents of North Hertfordshire / North Herts Council's service-users

We all have a right to be treated fairly, with dignity and respect. We are also each responsible for ensuring that our own actions and behaviours are fair and that we respect the dignity of others.

4. Our Legal responsibilities

North Herts Council will continue to fulfil all legal duties under the Equality Act 2010 ('the Act') . This key piece of legislation protects people from discrimination based on nine protected characteristics:

• Age • Disability • Gender Reassignment • Race • Religion or Belief (including lack of belief) • Sex • Sexual Orientation • Pregnancy and Maternity • Marriage and Civil Partnership

The Act legally protects people from direct and indirect discrimination, both in the workplace, and in wider society. The Act sets out that it is unlawful to treat someone in a way that discriminates, harasses, or victimises because of a protected characteristic. The Act also sets out duties and provisions to ensure the promotion of equality in public services.

SIDE NOTE: 'Public authorities also need to have due regard to the need to eliminate unlawful discrimination against someone because of their marriage or civil partnership

status. This means that the first aim of the duty applies to this characteristic but that the other aims (advancing equality and fostering good relations) do not apply.')

4.1 Public Sector Equality Duty

The General Equality Duty under the Act requires public authorities to consider all individuals when carrying out their day-to-day work. This includes policymaking, service delivery, and in relation to employees.

The General Equality Duty requires the majority of public bodies, including councils, to have due regard to the need to:

- **Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act**

- **Advance equality of opportunity between people who share a protected characteristic and those who do not.**
  This means:
  - Remove or minimise disadvantages suffered by people due to their protected characteristics
  - Take steps to meet the needs of people with certain protected characteristics where these are different from the needs of other people.
  - Encourage people with certain protected characteristics to participate in public life, or in other activities where their participation is disproportionately low.

- **Foster good relations between people who share a protected characteristic and those who do not**
  This means: Tackling prejudice and promoting understanding between people from different groups.

Having 'due regard' means consciously thinking about the three aims of the Equality Duty as part of the process of decision-making. To make this consideration fairly and transparently, we conduct equality analyses on all decisions taken by Council, Cabinet, Committee, or delegated decision. This means that for each decision we examine the potential outcomes, impacts, and unintended consequences for the various groups and individuals who may be affected, and whether it will be fully effective. Doing this helps us understand how a decision should be revised and improved to mitigate or avoid possible negative effects. As well as complying with the Public Sector Equality Duty, this works towards our Council objectives of putting 'People First' and 'A Brighter Future Together', and implementing decisions which have a positive impact on our residents.

To help us understand residents' views, the Council regularly holds consultations on various issues and proposals. Where relevant those participating in consultation will be asked to provide information on their personal characteristics. This is done voluntarily, with no obligation to provide the information. Where information is provided it will enable us to understand the extent to which our services are accessible to different groups of residents and support us in conducting these equality analyses.

The Council will use any data provided sensitively and in accordance with the Data Protection Act and with our Data Protection Policy. Information given will never be used to identify an individual.

We also conduct and publish an annual Corporate Cumulative Equality Impact Assessment of all decisions which identify equality implications, which allows us to monitor trends and

comply with the General Equality Duty. We will provide updates on our equality objectives as part of this review.

4.2 Specific Duties

The Council, as well as other public bodies, is also subject to The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017. The specific duties require the Council to:

- Publish gender pay gap information
- Publish information to demonstrate compliance with the general equality duty
- Set equality objectives, at least every four years.

North Herts Council will continue to fulfil our general obligations under the Act. This includes:

- Adherence to the statutory codes drafted by the Equality and Human Rights Commission
- The duty to make reasonable adjustments
- The provisions relating to enforcement
- The provisions relating to positive action
- The general and specific public sector equality duties

5. Who is responsible for equalities?

Equality is the responsibility of every Councillor, employee of North Herts Council, and any other person or organisation employed by the Council to work or to deliver services on its behalf.

The Council's Equality, Diversity and Inclusion (EDI) agenda is designed to be embedded at the core of service delivery and our organisational culture. Each service area and every staff member therefore have a role to play in taking responsibility to advance equality and challenge discrimination.

- Elected Members will promote our commitment to equality, diversity and inclusion in their day-to-day work.
- The Council has a responsibility towards its elected Members, including supporting policies which enable and encourage diversity amongst those standing for election, and considering adaptations that can be made to local democracy systems to support participation of our members (e.g Councillor Parental Leave Policy).
- The Leadership Team and the Inclusion Group[1] will be responsible for overall management and direction of EDI commitments.
- The Corporate Policy Team will oversee this policy, monitor progress against our objectives, and provide an annual cumulative equality assessment.
- Managers will ensure that EDI is core to service delivery and employee management.
- Contractors, suppliers and potential suppliers will be expected to adhere to our EDI commitments and the statutory duties relating to this.

[1] The officer-lead Inclusion Group seeks to drive the equality, diversity and inclusion agenda forward within the organisation. The Group is open to all officers and aims to gain an understanding of the perspective of all employees and what can be done to make the Council more inclusive. This includes the experiences of those who share a protected characteristic as defined by the Equality Act 2010. The group is also able to feedback and propose actions to the Leadership Team.

- Staff will be aware of the Council values, and duties under the Act, and will work to uphold the principles of reducing discrimination and harassment, and fostering good relations between different groups of people.
- Our service users also have a responsibility to treat our staff with dignity and respect, and to let us know if they require assistance or adjustments to enable them to better access our services.

Promoting diversity, preventing inequality, and tackling discrimination is not solely the responsibility of the Council. We will also work with wider partnerships and organisations to promote an equal and inclusive approach across the whole of the District.

6. Our Commitment

Beyond our legal obligations, and as part of delivering our council priorities, we are committed to embedding equality, diversity, and inclusion into all areas of our work. This commitment includes ensuring that we are welcoming and accessible to all our residents; that we promote equality, diversity, and inclusion amongst our staff and elected Members; that we consider how to best engage with seldom heard groups and recognise that some EDI issues relate to characteristics not covered by the Act (e.g socio-economic status); and that we remain open to ideas and feedback from Members, employees, and residents as to how we can further progress EDI.

Our commitment is underpinned by the current People First priority, laid out in the Council Plan[2]. This priority states that we value all our residents, businesses, staff, contractors, councillors, and other partners, and place them at the heart of everything we do. By fulfilling this commitment, we strive towards our Council priority of A Brighter Future Together.

7. Our Objectives

Following feedback from our recent engagement work, we propose objectives around two key groups within the community, each of whom share a protected characteristic as defined by the Act; as well as objectives around the council as an employer and the way we measure the impacts of our work:

1. Work with young people through youth engagement to make it easier for them to have their voices heard in local decision-making and democracy.
2. Improve our engagement with marginalised, seldom heard, and new communities to make it easier for them to participate in local decision-making and democracy, and to have their views and experiences heard by the council.

   These groups may include but are not limited to:

   Black and minority ethnic groups; refugees and asylum seekers; disabled people.
3. Improve our understanding of broader EDI issues and their impacts, such as neurodiversity and economic disadvantage; as well as the intersections between inequalities, using our Inclusion Group as a channel.
4. Achieve consistency in measuring the likely equality impacts of our emerging policies and services.

We recognise the need for leadership, commitment, and engagement from elected Members and staff at various levels to drive forward our objectives, as well as the need to find new ways of engaging with our communities to meet our first two objectives.

[2] Council Plan page

8. Measures

Objective	Measures
1. Work with young people through youth engagement to make it easier for them to have their voices heard in local decision-making and democracy.	Engage with 20 youth organisations per year. Schools visits with Councillors on a termly basis.
2. Improve our engagement with marginalised, seldom heard, and new communities to make it easier for them to participate in local decision-making and democracy, and to have their views and experiences heard by the Council.	Engage with 40 organisations representing marginalised/new/seldom heard groups per year. Support events which provide a platform for the experiences of marginalised, new, and/or seldom heard communities.
3. Improve our understanding of broader EDI issues and their impacts, such as neurodiversity and economic disadvantage; as well as the intersections between inequalities, using our Inclusion Group as a channel.	Inclusion Group meeting focused on neurodiversity during 2023/24. Inclusion Group review of topics for consideration during 2023/24.
4. Achieve consistency in measuring the likely equality impacts of our emerging policies and services.	Development of a Council-wide approach to Equality Impact Assessments (EqIA) during 2023/24.

9. Conclusion

The council is committed to continuing the advancement of equality, diversity, and inclusion across our services and workforce. We will continue to reflect upon our past actions and decisions and seek feedback from our residents, service users, and employees to enable us to think further about how we can drive forward this agenda over the coming years. This Strategy will be reviewed as relevant legislation and developments arise.

APPENDICES:

A: Progress To Date

B: EDI Policy Glossary

C: Equality Profile of North Herts (Protected characteristics)

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Progress To Date

- Adoption of an anonymised recruitment process. This means that applicants' names and other key characteristics such as gender, ethnic background (where this information has been given), school and university are removed from the job application before it is considered. This is done with the aim of limiting the potential for bias relating to these characteristics to affect the decision of the hiring manager.

- Use of an online tool to check that the language of job descriptions is as neutral as possible and not likely to dissuade certain groups of people from applying.

- In line with the Employment Service Two Ticks Scheme, all applicants with a disability who meet the essential criteria for a job vacancy are invited to interview.

- Included Equality and Diversity Training in our corporate induction training for staff, and courses on The Equality Act; Equality in the Workplace; and Unconscious Bias on our e-learning platform. The training informs staff about the duties of local authorities with regards to equality, treating people with respect and dignity in the workplace, how to respond to situations which may arise in the workplace, and how to support neurodiverse employees, amongst other topics.

- Included information on equalities in the employee handbook, the Equality and Diversity Intranet page, and in the Equality and Diversity Policy.

- Publish an Annual Gender Pay Gap Report and an Equalities Report which indicates the profile of the workforce, including the breakdown of staff's protected characteristics and the protected characteristics of those who apply to our job vacancies. Workforce profile | North Herts Council (north-herts.gov.uk).

- Regular Equal Pay Audits which help us ensure that our pay is fair, by reviewing areas where inequalities are likely to exist and analysing the protected characteristics against pay grades.

- Equalities questions asked of prospective suppliers of goods/services above a certain threshold during the procurement process, via the Selection Questionnaire.

- Consider equality implications for all decisions taken by Council, Cabinet Committees, and delegated decisions. Officers are required to conduct a fuller Equality Impact Assessment (EqIA) if implications are identified in the initial consideration.

- Conduct an Annual Cumulative Equality Impact Assessment, which involves reviewing Council and Cabinet key decisions and other relevant reports which conducted a full Equality Impact Assessment (EqIA), to gain a broader view of the overall impacts of council decisions and identify any potential issues.

- The Shaping our Future initiative which has set in motion work to develop the organisation, including securing a diverse, inclusive, and resilient workforce who can meet the needs of our communities. This work has included embedding revised organisational values, and reviewing recruitment processes.

- The creation of The Inclusion Group which looks to understand the experiences of staff, particularly in relation to the protected characteristics or other vectors of disadvantage; and to explore how inclusion could be improved across the council. The group also seek to gauge levels of awareness of equality issues amongst staff and identify training needs.

- Compiled a list of Inclusion contacts who staff can contact to raise questions and concerns, and share experiences in confidence. Contacts can signpost staff to further advice and support where needed.

- Joined Employers for Carers, a forum which is part of Carers UK. Membership gives the council access to resources for employees and managers who have carers in their teams.

- Staff access to Mental Health First Aiders, the Employee Advice Service, (including counselling), and to hold Mental Health mornings to support staff health and wellbeing.

- Creation of a Councillor Parental Leave Policy to support those members who need to take time off for maternity, paternity, shared parental leave, or adoption leave.

- Identified tackling Violence Against Women and Girls as one of our Strategic Priorities for 2022-23 in our Community Safety Action Plan.

- Distribution of Community Grants to not-for-profit organisations working for the benefit of North Herts communities, including support for mental health, those in food poverty, children, older people, and minority groups. (Also including the Covid-19 Community Support Fund).

- Working with organisations like North Herts Centre for Voluntary Services (CVS) and Herts Welcomes Refugees to create links between groups and assist events to support refugees.

- North Herts Museum holds a range of diverse exhibitions and events to increase representation and awareness of groups such as the LGBTQ+ community and British South Asians.

- Leading the Co-operative Councils Innovation Network’s policy lab on arts and culture, and the role this can play in improving community cohesion and fostering good relations between different groups.

- Designated Safeguarding Officers to help those with safeguarding concerns to make a referral; and all staff required to undertake safeguarding training at a level relevant to their role.

- Training on Modern Day Slavery made mandatory for all staff, and the inclusion of modern slavery and human trafficking in safeguarding training.

- Third Party Reporting Centre for hate crimes, allowing residents an option to report a hate crime without having to go directly to the police. Hate Crime Champions are able to assist recording and referring details of the crime on to police.

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Equality, Diversity & Inclusion Policy - Glossary

A

Accessibility: Where information, activities, and physical or digital environments are made as easy as possible to use, access, and understand for as many people as possible.

Age and Ageism: Age is one of the protected characteristics under the Equality Act 2010, meaning that it is generally unlawful to discriminate against someone because of their age.

Ageism can be defined as attitudes, actions, and institutional structures, which discriminate against or treat someone less favourably due to their age.

Anti-Semitism: The council has adopted The International Holocaust Remembrance Alliance (IHRC) definition of Anti- Semitism - Anti-Semitism is a certain perception of Jews, which may be expressed as hatred toward Jews. Rhetorical and physical manifestations of anti-Semitism are directed toward Jewish or non-Jewish individuals and/or their property, toward Jewish community institutions and religious facilities.

B

Belief: see Religion and belief

Bisexual or Bi: refers to a man or a woman who is emotionally and sexually attracted to people of both sexes.

Bi-cultural: Bicultural identity refers to a where a person regards themselves as having two cultures. For example, British Indian.

Bias: Inclination or prejudice (sometimes unconscious) for or against one person or group, especially in a way considered to be unfair.

Black: A broad term for all people with ethnic origins in the African continent.

Black Lives Matter: A social movement originating among African Americans, emphasizing basic human rights and racial equality for Black people and campaigning against various forms of racism. Abbreviations: BLM, B.L.M.

BME or BAME: An acronym that stands for Black [and Asian] & Minority Ethnic.

Though accepted by many, as with people of colour (see below), others consider these terms to be overly broad or simplistic and feel that they fail to take into account the ways in which the experiences of various minority ethnic groups differ from one another.

C

Civil Partnership: Legal recognition of a couple’s relationship. Along with Marriage, Civil Partnership is one of the protected characteristics under the Equality Act 2010, meaning that it is generally unlawful to discriminate against a person based on them being part of a Civil Partnership.

D

Direct discrimination: This refers to less favourable treatment because of a person's protected characteristic.

Disability: A person has a disability if s/he has a physical or mental impairment which has a substantial and long-term adverse effect on their ability to carry out normal day-to-day

activities. Disability is a protected characteristic under the Equality Act 2010, so it is generally unlawful to discriminate against someone on the grounds of disability.

Diversity: Diversity is recognising and valuing that individuals are unique, with each having their own values, beliefs, attitude, culture, racial background, sexuality, skills and life experience.

E

Engagement: The range of ways in which we (or another public authority) interact with our residents, other service users, and employees.

Equality: Equality refers to a situation where everyone is treated fairly and has the same opportunities, resources, and services as others. Equal opportunities require equitable provisions. (See: Equity)

Equality analysis/Equality Impact Assessment: Equality analysis involves looking at policies, strategies, actions, and decisions to consider how they may impact positively or negatively on equality or on those who share a protected characteristic under the Equality Act 2010. It may also refer to looking at information related to service use, service users, or employees in order to analyse an organisation's engagement with certain groups of people. At North Herts, an Equality Impact Assessment refers to a fuller analysis which must be undertaken if the initial equality analysis highlights potentially significant impacts.

Equality information: The information that an organisation has (or will collect) about people with protected characteristics in order to help show compliance with the equality duty. This will include the findings of engagement with protected groups and others, and the effect of policies on protected groups. It may include both qualitative and quantitative information, as well as evidence of analysis that has been undertaken.

Equality objectives: A requirement to prepare, set and publish objectives is one of the specific duties set out under the equality duty. An authority's objectives should aim to further one or more aims of the equality duty.

Equality outcome: The results that individuals or groups actually achieve and are able to benefit from. For example, equal pay between men and women.

Equity: Equity refers to a situation where varying levels of support and assistance are provided, depending on specific needs and abilities. Equity requires eliminating barriers which may prevent individuals accessing equal opportunities, and as such individual needs may therefore be met in different ways.

For example: North Herts' Assisted Bin Collection Service is an additional service offered to those who, due to physical disability or mobility issues, cannot physically move or lift their bin containers to the kerbside. Whilst this additional service is not equally available to all residents, it creates **equity** by ensuring that an equal *outcome* is available to all residents. In this example the equal outcome is that everyone can have their rubbish collected on their designated bin collection day.

F

Fostering good relations: The Equality Act 2010 states that having due regard to the need to foster good relations involves having due regard, in particular, to the need to tackle prejudice and promote understanding between people who share a protected characteristic and those who do not.

G

Gender identity: Someone's personal sense of their own gender. While sex is typically defined by someone's biological and physiological attributes, gender is considered by some to be a social construction around roles, behaviours, expressions, and identities. Many people consider their sex and gender identity to be the same or in alignment with each other, while others find that their sense of their own gender is incongruent with the sex they were considered to be at the point of their birth. People with this experience may consider themselves to be transgender and may go through a process of gender reassignment.

Some individuals identify as non-binary, meaning they consider their gender identity to fall somewhere outside of the woman/man binary. Some consider gender to exist on a spectrum, meaning there could be many different gender identities with which a person could identify. Others do not identify as having a gender at all – these people may be described as agender.

Gender reassignment: The process (typically involving a combination of surgical procedures and hormone treatment) undertaken by a transgender person in order to alter their physical sexual characteristics to match their gender identity

See also trans, transgender.

General Equality Duty: The Equality Act (2010) places a general duty on all public sector organisations to have due regard to the need to: eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act; advance equality of opportunity between people who share a protected characteristic and those who do not; and to foster good relations between people who share a protected characteristic and those who do not.

H

Harassment: Unwanted conduct related to a protected characteristic that has the purpose or effect of violating a person's dignity or creates an intimidating, hostile, degrading, humiliating or offensive environment. It may also involve unwanted conduct of a sexual nature or be related to gender reassignment or sex.

I

Inclusion: Inclusion is the practice of providing access to opportunities and resources for people who might otherwise be excluded or marginalized. As well as improving accessibility, it is about creating a welcoming and supportive environment where you value and involve everyone.

Indirect discrimination: This is when a provision, criterion, or practice is applied in a way that creates disproportionate disadvantage for a person with a protected characteristic as compared to those who do not share that characteristic, and is not a proportionate means of achieving a legitimate aim.

For example: If staff at a workplace have to climb a flight of stairs to reach the toilet, and there are no lift facilities, this would indirectly discriminate against staff members who are unable to climb the stairs due to a physical disability or other mobility issues.

L

LGBTQ+: This is an abbreviation for lesbian, gay, bisexual, transgender and queer or questioning. These terms are used to describe a person's sexual orientation or gender identity.

M

Marriage: a formal union, and social and legal contract between two individuals that unites their lives legally, economically, and emotionally. Like Civil Partnership, it is a protected characteristic under the Equality Act 2010, meaning it is generally unlawful to discriminate against someone based on them being married.

Maternity: The period after giving birth. It is linked to maternity leave in the employment context. In the non-work context, protection against maternity discrimination is for 26 weeks after giving birth, including as a result of breastfeeding.

Mitigation: This refers to measures which are put in place to reduce the negative impacts of a policy or decision. For example, a decision to move a council service (e.g paying for your garden waste collection) online may have negative effects on anyone who does not have a computer or internet. As such, mitigation may be to retain a method of using or purchasing the service via telephone or post.

N

Neurodiverse or Neurodivergent: Where someone's brain processes, learns, and/or behaves differently from what is considered 'typical'. Examples include autism, dyslexia, dyspraxia, ADHD, and tourettes.

P

Pregnancy: The condition of being pregnant. Alongside Maternity, it is a protected characteristic under the Equality Act 2010, meaning that it is generally unlawful to discriminate against someone on the grounds of them being pregnant.

Protected characteristics: The Equality Act 2010 identifies nine characteristics as 'protected characteristics'. These are the characteristics where evidence shows there is still significant discrimination in employment, provision of goods and services, and access to services such as education and health. Under the Equality Act, the protected characteristics are personal characteristics which are protected by discrimination law. The protected characteristics are: Age; Disability; Gender Reassignment; Marriage and Civil Partnership; Pregnancy and Maternity; Race; Religion or Belief; Sex; and Sexual Orientation.

Protected groups: see Protected characteristics above

Public authority: This generally refers to anyone performing a public function e.g local government. The General Equality Duty of the Equality Act 2010 applies to public authorities. For this purpose, a public authority is a body that is named (listed) or described in Schedule 19 of the Equality Act. It also applies to other organisations who exercise public functions. This includes private bodies or voluntary organisations which are carrying out public functions on behalf of a public authority.

Public functions: The Equality Act 2010 defines a public function as a function that is of a public nature for the purposes of the Human Rights Act 1998.

R

Race: This refers to a group of people defined by their colour, nationality (including citizenship), ethnic or national origins. It is a protected characteristic under the Equality Act 2010, meaning it is generally unlawful to discriminate against someone based on their race.

Reasonable adjustment: Adjustments that public authorities make to the way they work or carry out functions to ensure that those with disabilities (which could include physical or mental conditions, as well as neurodivergence) are not disadvantaged. The adjustment could be made with regards to policies, practices, premises, or provision of equipment – for example, providing a special keyboard to someone with arthritis, or installing a ramp for someone who uses a wheelchair. Employers must make reasonable adjustments under the Equality Act.

Religion or Belief: This refers to any religion, while belief includes religious and philosophical beliefs including lack of belief (for example, Atheism). For a belief to be included, it should be genuinely held, apply to an important aspect of life, and must not affect other people's fundamental rights. Generally, a belief of such nature would affect your life choices or the way you live. Religion or Belief is a protected characteristic under the Equality Act 2010, meaning it is generally unlawful to discriminate against someone on the grounds of their religion, beliefs, or lack thereof.

Seldom Heard: The term 'seldom-heard groups' refers to under-represented people who use or might potentially use services and who are less likely to be heard by these service professionals and decision-makers. These groups used to be described as hard to reach – suggesting that there is something that prevents their engagement with services. Seldom heard emphasises the responsibility of agencies to reach out to excluded people, ensuring that they have access to services and that their voices can be heard, and is the preferred term for those reasons.

Examples of seldom heard groups could include:

• Particular ethnic minority groups

• Carers

• People with disabilities

• Lesbian, Gay, Bisexual, Transgender, and Queer people

• Refugees/asylum seekers

• People who are homeless

• Younger people

• Older people

• People with language barriers

These people may have particular needs when it comes to participating.

Sex: Sex refers to the physical differences between people who are male, female, or intersex. It is a protected characteristic under the Equality Act 2010, meaning it is generally unlawful to discriminate against someone on the grounds of their sex, though there are some exceptions made to allow for the provision of single-sex services.

Sexual orientation: Sexuality orientation or sexuality is about the sex or gender that a person tends to feel attracted to emotionally, romantically, and/or sexually. A person may be

attracted only to people of the opposite sex, only to people of the same sex, or to people of all sexes or genders. Equally, a person may experience their sexual orientation as fluid, while others may experience little or no sexual attraction at all – this is known as asexuality. Asexual people may, however, experience emotional and romantic attraction.

Specific duties: Certain public authorities named or described (listed) in Schedule 1 of the Equality Act 2010 (Statutory Duties) Regulations 2011 are required to comply with certain specific duties. These duties are intended to assist authorities in complying with the General Equality Duty.

Stakeholders: People or groups who have an interest in a subject or an issue, or who are likely to be affected by any decision relating to it, and/or have responsibilities relating to it.

T

Transgender or Trans: Transgender people or trans people have a gender identity or expression that differs from the sex that they were considered to be at the point of their birth. Transgender people may change their name and identity, and may or may not seek to undergo gender reassignment (including hormone treatment and/or surgery) in order to bring their physical appearance into closer alignment with their gender identity. Some people who undergo such reassignment may consider themselves to be transsexual. Gender reassignment is a protected characteristic under the Equality Act 2010, meaning it is generally unlawful to discriminate against someone on this basis. Under the Act, gender reassignment is a personal process rather than a medical one and it does not require someone to undergo medical treatment in order to be protected.

V

Victimisation: If someone is treated badly because they complain about discrimination or help someone who has been discriminated against, this is called victimisation. Victimisation is unlawful under the Equality Act 2010.

Equality Profile of North Herts
by the nine protected characteristics

• Age • Disability • Gender Reassignment
• Race • Religion or Belief (including lack of belief)
• Sex • Sexual Orientation
• Pregnancy and Maternity • Marriage and Civil Partnership

Population

The latest 2021 Census estimated usual resident population of North Hertfordshire is 133,200. By mid-2043, the total population of North Hertfordshire is projected to be 140,326 (ONS, 2018-based projection). At the point of finalising this Profile, various elements of the Census 2021 data have not been published. The data on health, disability, unpaid care, ethnicity, and religion is expected to be published in 2023. This profile will be updated to reflect this in future reviews following data publication.

Age

The below table shows the usual population of North Hertfordshire at March 2021, by age group.

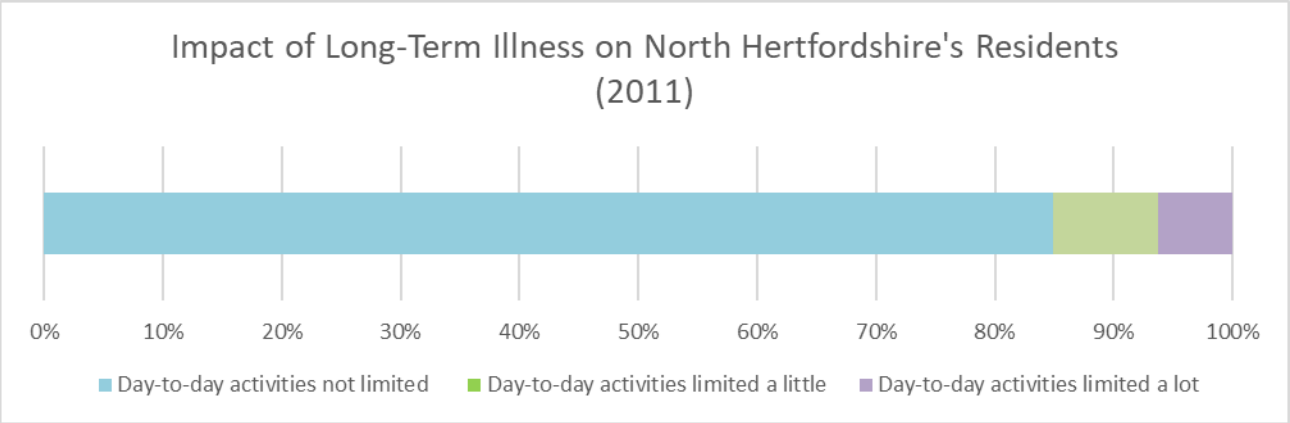
Age Group	Number of North Hertfordshire Residents	Percentage of North Hertfordshire Residents
0 - 4	7,500	5.6%
5 – 9	8,200	6.2%
10 - 14	8,300	6.2%
15 - 19	6,700	5.0%
20 - 24	5,900	4.4%
25 - 29	7,600	5.7%
30 - 34	8,700	6.5%
35 - 39	9,000	6.8%
40 - 44	9,400	7.1%
45 - 49	9,500	7.1%
50 - 54	9,500	7.1%
55 - 59	9,400	7.1%
60 - 64	7,800	5.9%
65 - 69	6,500	4.9%
70 - 74	6,700	5.0%
75 - 79	5,000	3.8%
80 - 84	3,700	2.8%
85-89	2,500	1.9%
90 +	1,400	1.1%

Source: ONS, Census 2021

In 2021 (ONS Census), out of the total population of North Hertfordshire, 24,000 (18%) were children aged under 15; 83,500 (62.7%) were adults aged between 15-64, and 25,800 (19.4%) were aged 65 and over. 3900 (2.9%) of the resident population were aged 85 and over.
Over the last ten years in in North Hertfordshire there has been an increase of 18.8% in people aged 65 years and over. This is lower than the 20.1% increase in this age group seen across England. North Hertfordshire has seen an increase of 1.5% in people aged 15 to 64 years (significantly less than the 4% increase of this age bracket across England), and an increase of 3.9% in children aged under 15 years.

Disability

The 2011 census recorded that out of the 127,114 usual residents of North Hertfordshire, 8,017 people had a disability that limited their day-to-day activities a lot (6.3%) and 11,165 people had a disability that limited their day-to-day activities a little (8.8%). This totals 15.1% of North Hertfordshire residents experiencing some level of limitation on their day-to-day activities as a result of a disability



Source: ONS Census, 2011 Table KS301UK[1]

Of those who's day-to-day activities were limited a lot by long term illness, 34.3% were aged between 16-64 and 44.7% of those who's day-to-day activities were limited a little by long term illness were aged between 16-64.

Gender Reassignment

At present, there is not enough robust data to accurately estimate the UK transgender population locally or nationally. Although there has been work on estimating the number of transgender people within the UK population, there is no publicly available statistical data on which to make reliable estimates.

In 2018, the Government Equalities Office tentatively estimated that there were between 200,000 – 500,000 transgender people living in the UK. This would make up between 0.3%-0.8% of the UK population.

The 2021 census has given a new and voluntary option regarding gender, allowing individuals to state if the gender they identify with is the same as sex registered at

birth, with an option to state gender identity beneath. It is hoped that this change will lead to stronger data on those that are transgender and non-binary within the UK.

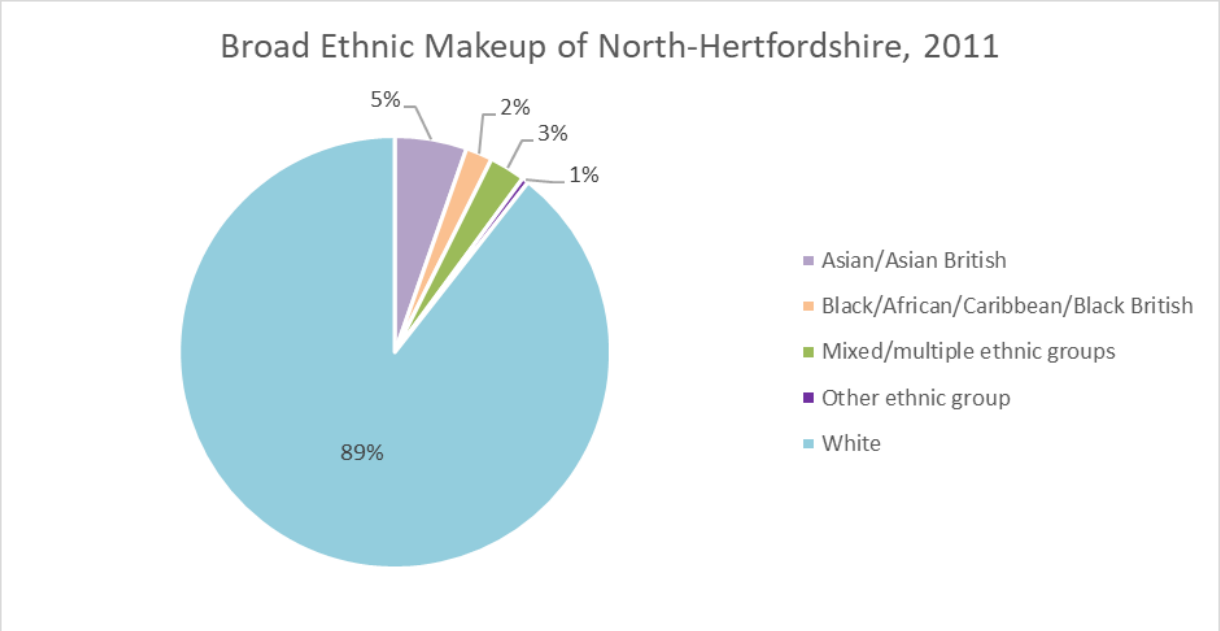
Race

The main source of detailed ethnic group population data is the 2011 National Census. Further data from the 2021 census is due to be published in the near future. In the 2011 Census, 15.1% of the North Hertfordshire population were from an ethnic minority background (defined as non-white-British), compared to 10.65% in 2001.

Ethnic Makeup of North Hertfordshire

Ethnicity	Number	%
White – British	107,889	84.9
White – Irish	1,398	1.1
Gypsy	33	0
Other White	4,435	3.5
White and Black Caribbean	1,481	1.2
White and Black African	309	0.2
White and Asian	912	0.7
Other Mixed	674	0.5
Indian	3,464	2.7
Pakistani	424	0.3
Bangladeshi	495	0.4
Chinese	808	0.6
Other Asian	1,630	1.3
Black African	859	0.7
Black Caribbean	1,344	1.1
Other Black	288	0.2
Arab	146	0.1
Any other ethnic groups	525	0.4

Source: ONS Census 2011: Table KS201EW



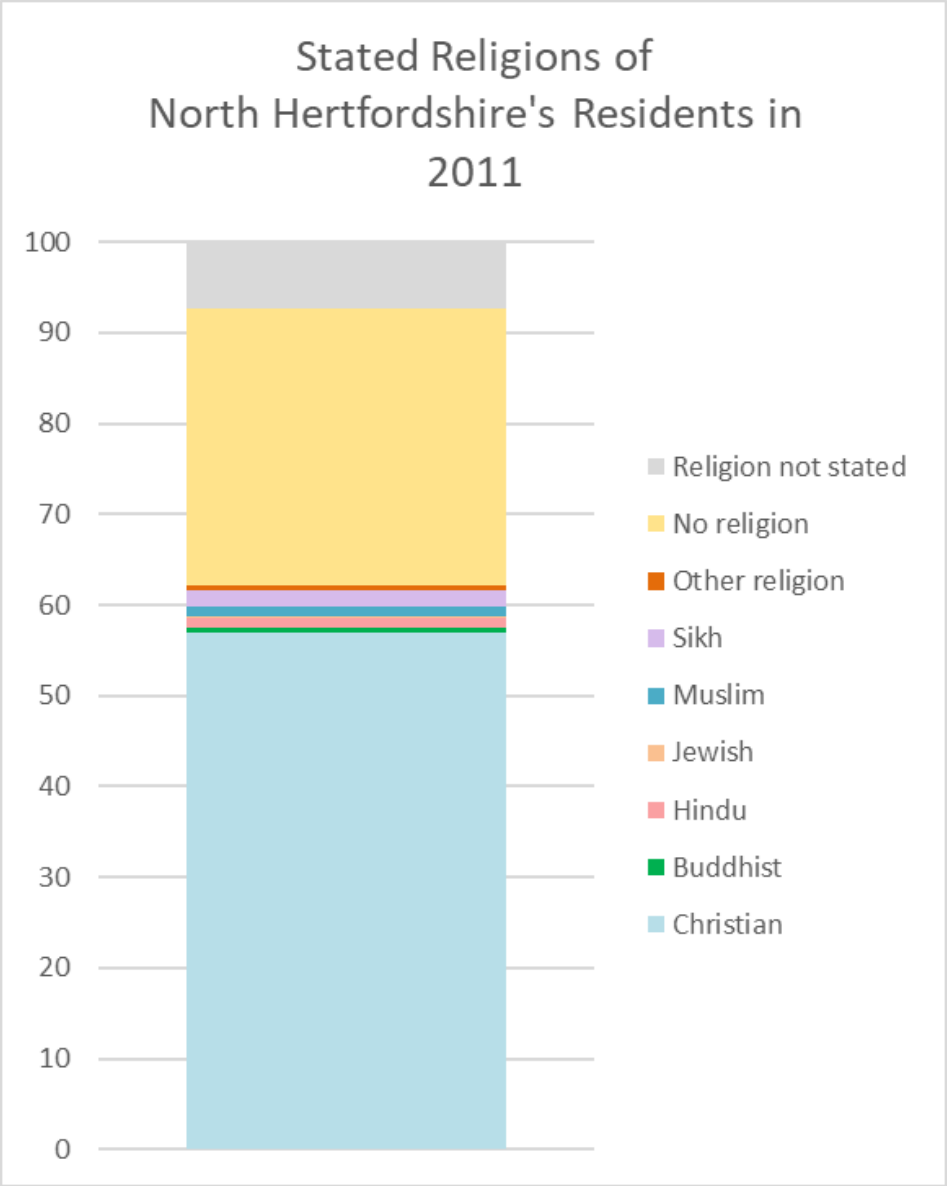
Source: ONS Census 2011: Table KS201EW

In the Herts Residents' Survey (2018), 83% of North Hertfordshire residents agreed (strongly or tend to) that people from different ethnic backgrounds get on well together in the local area. This is higher than the 80.3% of residents throughout Hertfordshire that agreed with the statement.

Religion or Belief (including lack of belief)

The main source of detailed religion or belief population data is the 2011 National Census. Further data from the 2021 census is due to be published in the near future.

In the 2011 census, 57% of North Hertfordshire residents identified themselves as Christian. 30% stated themselves to have no religion and over 7% did not state a religious stance, with the next most prominent belief being Sikhism, with 1.9% of residents identifying themselves as Sikh.

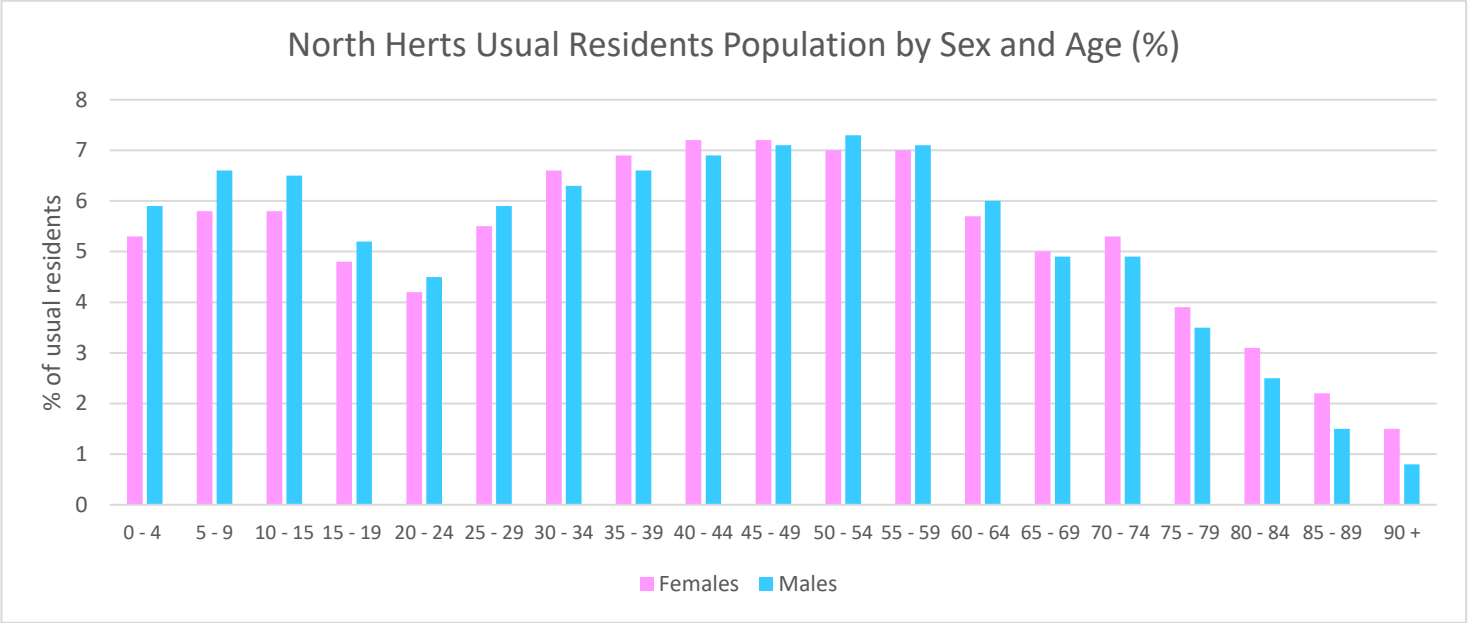


Source: ONS Census 2011, Table KS209EW

Sex

In 2021 (ONS Census), of the 133,200 people in North Herts, 68,500 (51.4%) were women and 64,800 (48.6%) were men.

The below table shows a break down of North Hertfordshire's usual population by age and sex.



Source: ONS, Census 2021

Sexual Orientation

At present, there is no localised data on sexual orientation, and this is only available at a regional level. For the first time, the 2021 census included questions on sexual identity. This has the potential to enable a better understanding of the LGBTQ+ community within North Hertfordshire when the results are published in 2022.

The table below presents sexual identity data recorded at national and regional level in 2020. It is worth noting that these figures vary between areas. Therefore, without more localised data, it cannot be presumed the regional data will directly reflect the population of North Hertfordshire.

Sexual Orientation	England	East of England
Heterosexual or straight	93.3%	95.5%
Gay or lesbian	1.8%	1.3%
Bisexual	1.3%	1.0%
Other	0.6%	0.4%
Don't know or refuse to answer	2.9%	1.8%

Source: ONS Annual Population Survey, 2020

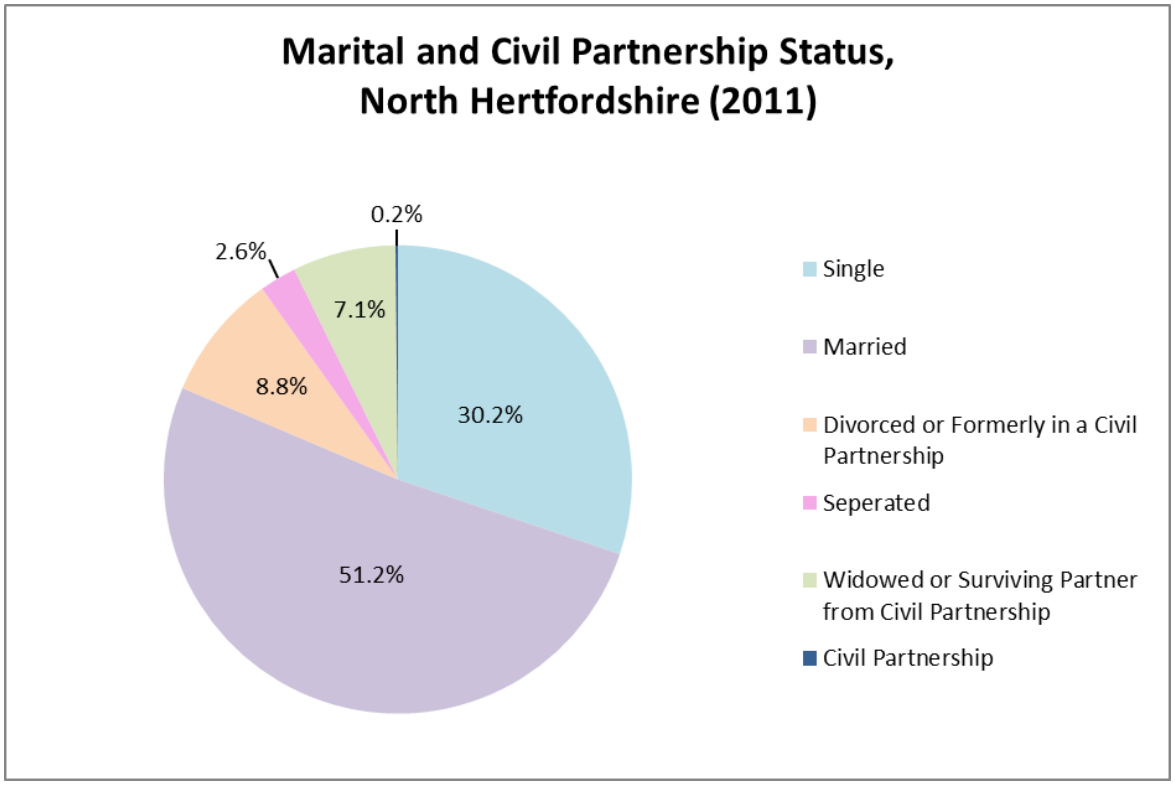
According to the ONS, across the UK, the proportion of people, aged 16 years and over, openly identifying as lesbian, gay or bisexual (LGB) has been increasing, recording an increase from 1.6% in 2014 to 3.1% in 2020. Young people aged between 16-24 years continue to be the most likely to identify as LGB in 2020 (8.0%) and this reflects an increasing trend for this age group since 2014.

Pregnancy and Maternity

In 2020, there was a total of 730 live births in North Hertfordshire (ONS, Live Births).

Marriage and Civil Partnership

The below chart indicates the marital and civil partnership status of residents in North Hertfordshire aged 16 and over in 2011. It is worth noting that in 2011, marriage was not yet legalised for same-sex couples and civil partnerships were not yet legalised for mixed-sex couples. Within the district, 51.2% of the population was married and 0.2% were in civil partnerships, which compared to the national average of 46.6% and 0.2% respectively.



Source: ONS Census 2011, Table KS103EW

Among those identifying as LGB in 2020, 72.5% had never been married or in a civil partnership, whilst 23.7% were married or in a civil partnership; this may reflect that the legislation for same-sex civil partnerships and marriage is relatively recent as well as higher proportions of the LGB population in younger age brackets.

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CABINET
13 December 2022

PART 1 – PUBLIC DOCUMENT

ALLOCATION OF GOVERNMENT FUNDING FOR ACCOMMODATION AND SUPPORT SERVICES FOR SINGLE HOMELESS PEOPLE

REPORT OF SERVICE DIRECTOR - REGULATORY

EXECUTIVE MEMBER: COUNCILLOR SEAN PRENDERGAST

COUNCIL PRIORITY: PEOPLE FIRST

1. EXECUTIVE SUMMARY

1.1. The demand for accommodation and support services for single homeless people, particularly those with complex support needs, has risen significantly over the past few years and support for this cohort remains an urgent priority and requires specialist support services.

1.2. The Council has received ringfenced homelessness funding totalling £889k over three years from the Department for Levelling Up, Housing and Communities (DLUHC). £340k has been received as annual Homelessness Prevention Grant funding for 2022/23 whilst a further £549k of funding for three years (2022/23 – 2024/25) was awarded to the Council following a successful partnership bid to the DLUHC's Rough Sleeping Initiative.

1.3. This report details proposals for the allocation of this funding for specialist services and interventions for vulnerable single homeless people.

2. RECOMMENDATIONS

2.1. That Cabinet approves the allocation of *Homelessness Prevention Grant* funding (2022/23) as follows:

A) Metropolitan Thames Valley Housing (£73k)

B) To offset Department of Work and Pensions Housing Benefit subsidy loss (£150k)

C) To secure hotel provision over the winter months (£36k)

2.2 That Cabinet approves the allocation of *Rough Sleeping Initiative* funding for the financial years 2022/23, 2023/24 and 2024/25 as follows:

A) Haven First (£78k, £77.4k and £68.2k)

B) Keystage Housing (£86.2k, £85.6k and £75.4k)

3. REASONS FOR RECOMMENDATIONS

3.1. There is an urgent need for high quality accommodation-based support services for single homeless people in the district. Adopting the recommendations at 2.1 – 2.2 would secure the provision of these services for the next few years, which is in line with the priorities set out in the Council's Homelessness and Rough Sleeping Strategy, contained within the Council's Housing Strategy 2019-2024.

3.2. The support services outlined in this report are crucial to enable single homeless people with complex needs to have the opportunity to live independent lives and ending the cycle of repeated homelessness.

4. ALTERNATIVE OPTIONS CONSIDERED

4.1. Cabinet could decide against approving the proposed allocation of government funding. However, this would potentially reduce the availability of accommodation and support services for single homeless people locally. In the absence of this specialist service, the Council would once again have to place large numbers of applicants in hotels (which are often outside of the district as many local hotels refuse to accept Council clients). This makes it extremely difficult for clients to engage with and receive assistance for any support needs whilst also incurring significant costs for the Council.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

5.1 The Executive Member for Housing and Environmental Health, Cllr Sean Prendergast has been consulted and is supportive of the proposals contained in 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 7 June 2022.

7. BACKGROUND

7.1. As a local housing authority, the Council has legal duties to assist households who are homeless or who are threatened with homelessness, and to provide accommodation for homeless households in 'priority need' – primarily families and vulnerable individuals. The Council no longer owns or manages any housing stock and it therefore works with housing providers (some with allied support services) to meet local needs.

7.2. The Council's Homelessness and Rough Sleeping Strategy, which is contained within the Council's Housing Strategy 2019-2024, identifies as a priority the need to improve the provision of accommodation and support services for single homeless people and especially those with complex support needs. Accommodation options for this cohort are extremely limited, with only one permanent homeless hostel in the district at the time, run by Haven First in Hitchin, which offered dormitory style accommodation for male clients only. While settle housing (formerly North Hertfordshire Homes) has a contract to provide temporary accommodation to the Council, this is largely family accommodation and also not suitable for people with high or complex support needs.

7.3. The Covid-19 pandemic revealed the single homeless cohort to be much larger than previously understood and highlighted the urgent need for accommodation and support

for this group as significant numbers approached the Council for assistance following the government's 'Everyone In' directive. 'Everyone In' effectively extended councils' emergency accommodation duties to include single homeless people and the Council accommodated almost 200 people during the course of the pandemic in line with this directive (in addition to its usual accommodation duties to households in priority need).

7.4. An information note provided to 21 June 2022 Cabinet gives further detail about the high and ongoing demand for accommodation and support services for single homeless people. Although Covid-19 restrictions have now been removed, the updated table below shows that demand from this cohort remains significantly above pre-pandemic levels. The Council remains reliant on hotel placements where alternative accommodation cannot be immediately sourced or where applicants' needs are too high/complex for available services. Over the last two financial years, hotel bookings have cost the Council in excess of £500k.

Households in temporary accommodation (snapshots at year/mid-year end)

	31/3/19	31/3/20	31/3/21	31/3/22	30/9/22
Total households in TA at year end	85	93	136	104	96
Of which:					
single households	15	33	72	46	38
hotel placements	4	19	58	15	11

7.5. Support needs amongst this cohort are extremely high - over 60% of single people placed in temporary accommodation over the past year had two or more support needs. Unfortunately, whilst the Council has immediate duties towards homeless households, many of our vulnerable clients struggle to access, or have not met thresholds of need for other statutory support services such as Herts County Council, Herts Partnership Foundation Trust, Probation, the NHS and other bodies. As a result, many struggle to cope without support leading them to be evicted from multiple accommodation placements or refused access to services resulting in a cycle that is repeated over the course of years.

7.6. In response to this urgent need, the Council, working with local partners, has begun to develop a new integrated pathway of accommodation and support for local single homeless people. This was made possible during the pandemic by the rare opportunity to secure suitable accommodation locally, lack of accommodation having always been the key limiting factor on new service provision. The Keystage PAIRS (Provision for Assessment, Intervention and Resettlement Support) service operates at the former Lord Lister hotel site in Hitchin and a complementary Haven First service operates at the former Templars hotel at 20 High Street in Baldock.

7.7. Both Keystage and Haven First are specialist providers and their schemes deliver accommodation and round-the-clock on-site support for local people on the single homeless pathway and particularly those with multiple support needs. Access to both schemes are through direct referral from the Council with the Housing team working closely with both providers to maximise positive outcomes for clients. Keystage Housing and Haven First also work closely with external specialist services in order to provide clients with support tailored to their needs – thus bringing together agencies such as

health, social care, criminal justice departments etc as well as housing support. A mental health and substance dependency outreach support service is provided by Hertfordshire County Council. As part of the successful bid to the Rough Sleeping Initiative, DLUHC has provided extra funding for this client group in recognition of the high staffing ratios that are required to ensure accommodation-based support services are appropriately resourced. Clients can stay for a maximum of 18 months, with the ultimate goal of moving-on to more independent accommodation.

7.8. Keystage is contracted to provide a service operating out of the former Lord Lister site for a minimum period of ten years (with the Council receiving exclusive access to all vacancies), receiving £200k of grant funding as set out in the delegated decision taken on 13 August 2021. A 25 January 2022 delegated decision allocated an additional £83k of grant funding for the more intensive level of support of clients with complex needs up to July 2022. Haven First acquired the 20 High Street site on a temporary basis during the pandemic and a delegated decision to support the scheme until 31 March 22 was taken on 18 May 2021.

7.9. Typically homelessness grant funding from central government is awarded on an annual basis – and often well into the financial year to which it relates - which makes planning for future provision extremely difficult. This year, 2022/23, the Council received £339,826 in Homelessness Prevention Grant (HPG) which is ring fenced for homelessness prevention and relief work. In addition to this, the Council has been fortunate to have also received a total of £549,216 to cover three years, 2022/23–2024/25, from the government's Rough Sleeping Initiative 2022-25 (RSI5) after submitting a bid to fund the single homeless pathway. The RSI5 bid was coproduced with Keystage Housing and Haven First alongside DLUHC specifically to support their accommodation and support schemes for local single homeless people with complex needs.

7.10. A delegated decision to allocate £81k of the HPG was taken on 28 June 2022 (please see: Record of Decision made under Delegated Authority (north-herts.gov.uk)), however the remaining amount of £259k has yet to be allocated. Confirmation of RSI5 funding was received in May 2022 and has not yet been allocated because of delays in obtaining decisions for planning applications for the Keystage and Haven First schemes. Planning approval for PAIRS was obtained on 20 September 2022 with 20 High Street, Baldock being agreed at 1 December 2022 Planning Control Committee.

8. RELEVANT CONSIDERATIONS

8.1 Demand for accommodation-based support services for local single homeless people remains high and an urgent outstanding need. Those who are assessed to be vulnerable as a result of their support needs will likely be owed a main housing duty and as the table below illustrates, the increased numbers of single households are driving an increase in the overall number of households owed a main housing duty. Future demand is likely to remain high with the current cost of living crisis and ongoing scarcity of affordable accommodation in the private rented sector locally.

Households owed a main housing duty

	2018/19	2019/20	2020/21	2021/22	1/4/22 – 30/9/22
Households owed a main housing duty	89	65	90	128	65
Of which:					
Families	73	51	56	70	34
Singles	16	14	34	58	31

8.2 Having responded to the immediate urgency of the Covid-19 emergency with the rapid deployment of new services provided by Keystage Housing and Haven First, the aim now is to consolidate this provision and develop a stable and sustainable pathway for single homeless people. The Keystage service has been secured for a minimum ten-year period, with flexibility built into the contract, allowing for the service to be adapted as the Council's needs evolve. The opening of the new 40-unit homeless hostel in Protea Way, Letchworth is likely be one such point of step-change. However, although the scheme was granted planning permission in February 2021, there has been little progress since then and indeed some uncertainty about its future. There have been significant increases in construction costs and Haven First, the scheme provider, has since announced its merger with One YMCA, which is due to complete on 1 April 2023. Haven First is seeking to extend their lease of 20 High Street for a further three years in the interim.

8.3 RSI5 funding was awarded to the Council to support the provision of its single pathway services for those with the most complex support needs, the demand for which the Council set out in a detailed self-assessment as part of its co-produced bid. The Department for Levelling Up, Housing and Communities (DLUHC) confirmed the funding award in May 2022, summarised in the table below:

	2022/23	2023/24	2024/25	Total
Total RSI5 awarded	**£203,400**	**£189,100**	**£156,716**	**£549,216**
of which: emergency accommodation for rough sleepers	£39,150	£26,100	£13,050	£78,300
and: enhanced complex needs service @ PAIRS and 20 High St	£164,250	£163,000	£143,666	£470,916
(a) PAIRS	*£86,231*	*£85,575*	*£75,425*	*£247,231*
(b) 20 High Street	*£78,019*	*£77,425*	*£68,241*	*£223,685*

8.4 It is proposed the emergency accommodation allocation will be retained by the Council to partially offset net hotel cost. The remainder for the enhanced complex needs services will be divided between PAIRS and 20 High Street in proportion to the accommodation on offer, as set out in rows (a) and (b) above (21 rooms and 19 rooms respectively). This will fund additional support for those with the most intensive needs as - sector wide - these schemes are very expensive due to the amount of staff hours required to ensure residents' support needs are met.

8.5 Keystage Housing, which manages the PAIRS service, currently operates as a Community Interest Company, which means that the Council does not recoup the full cost of Housing Benefit it pays on behalf of PAIRS residents, from the Department of Work and Pensions (DWP). It is therefore proposed to allocate part of the HPG to offset the cost of the lost Housing Benefit subsidy; for 2022/23, it is estimated that this could be up to £150k.

8.6 It is proposed to allocate a further £73k of HPG funding to Metropolitan Thames Valley Housing (MTVH), to fund a two- year pilot of a 6-bed scheme in Letchworth specifically for homeless single women with complex needs (the scheme is located across two properties, both owned by Hertfordshire County Council (HCC)). Broadly speaking, a third of single homeless people with the highest needs are women. Most have a history of poor mental health and 70% have experienced some form of abuse (domestic, sexual or other). Again, of those with the highest needs, women are also more likely to have drug dependency needs and to be a young person requiring support; they are less likely to have an offending history or a history of rough sleeping. This funding will be matched by HCC as they also recognise the need for this service. MTVH currently operates the units as low-level provision for single people with mental health needs, under contract to HCC; should this proposal be agreed, there will be a transitional period as existing residents move on and issues such as the existing lease are reviewed.

8.7 It is proposed the remaining amount of £36k of HPG will be used to fund the block booking of ten hotel rooms over two local sites for a 12-week period over November 2022 to February 2023 to cover the required Severe Weather Emergency Provision, intended to accommodate those at risk of, or experiencing, rough sleeping in freezing winter conditions. This will secure the local provision of rooms as hotel options are becoming increasingly limited due to high demand levels and the growing number of hotels who are unwilling to work with the Council.

8.8 In terms of future allocations of HPG, DLUHC have mentioned a possible two-year allocation from 2023/24. The timing of any announcement is not yet known, however a further report is likely to be presented to the Cabinet in early 2023 with further proposals, which will also provide an opportunity for the Cabinet to consider additional options should any HPG for the current year remain unspent.

9. LEGAL IMPLICATIONS

9.1. The Housing Act 1985 Section 1 (1) confirms that the District Council is the Local Housing Authority (LHA).

9.2 LHAs' homelessness duties are contained within the Housing Act 1996 Part VII, as amended by the Homelessness Reduction Act 2017 which placed significant new duties on English local housing authorities.

9.3 LHAs have a legal duty to provide interim (also known as emergency) accommodation to homeless applicants, if, at any point during their enquiries, there is a reason to believe that an applicant may be:

- homeless
- eligible for assistance, and
- in priority need

If an LHA fails to provide interim accommodation, or if the accommodation provided is unsuitable for the applicant, this can be challenged by way of judicial review.

9.4 The LHA also holds the 'Relief Duty' which applies when a council is satisfied that an applicant is homeless and eligible for assistance; it requires the Council to take reasonable steps to help the applicant secure that suitable accommodation becomes available for the applicant's occupation for at least six months. This therefore requires the Council to work with the applicant to help them find and retain accommodation to meet this legal duty.

9.5 The Cabinet's Terms of Reference provides at paragraph 5.6.15; "To oversee the provision of all the Council's services other than those functions reserved to the Council".

9.6 When agreeing the Adoption of a new Housing Strategy (2019-2024) in March 2019, the Cabinet also resolved the following:

In the event the MHCLG provides homelessness funding beyond the financial year 2019/20, the Cabinet authorises the Service Director – Regulatory, in consultation with the Executive Member for Housing and Environmental Health, to decide on the specific allocation of the funds in order to meet homelessness priorities, for the duration of the Strategy.

9.7 Should Cabinet agree the proposals in this report, relevant steps will be taken to ensure compliance with the Council's Contract Procurement rules contained in section 20 of its Constitution.

10. FINANCIAL IMPLICATIONS

10.1 The Council received a Homelessness Prevention Grant allocation of £339,826 for 2022/23 from DLUHC, which is ring fenced for homelessness prevention and relief work.

10.2 Following a coproduced funding bid (with Keystage Housing and Haven First) under the government's Rough Sleeping Initiative (2022-25) to fund the single homeless pathway, DLUHC has awarded the Council a total of £549,216 over three years, 2022/23–2024/25.

11. RISK IMPLICATIONS

11.1. The proposals in this report seek to support homeless people with complex needs off the street, on the path to independent resettlement; without these services, there is a risk of homeless people with complex needs continuing the cycle of repeated homelessness with negative outcomes for the individuals and wider society.

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. An Equality Impact Assessment has been completed and is attached as Appendix 1. The assessment notes the potential positive impacts this decision will have for some of the most vulnerable members of the community in North Hertfordshire.

13. SOCIAL VALUE IMPLICATIONS

13.1. The Social Value Act and "go local" requirements do not apply to this report, however, the proposals contribute to social value by providing community benefits that would otherwise not be realised.

14. ENVIRONMENTAL IMPLICATIONS

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

15. HUMAN RESOURCE IMPLICATIONS

15.1 No impact.

16. APPENDICES

16.1 Appendix 1 – Equality Analysis

17. CONTACT OFFICERS

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17.4 Reuben Ayavoo, Policy and Community Engagement Manager reuben.ayavoo@north-herts.gov.uk; ext 4212

17.5 Rachel Cooper, Controls, Risk and Performance Manager rachel.cooper@north-herts.gov.uk; ext 4606

17.6 Jodie Penfold, Group Accountant jodie.penfold@north-herts.gov.uk; ext 4332

17.7 Anne Banner, Benefits Manager anne.banner@north-herts.gov.uk; ext 4610

18. BACKGROUND PAPERS

18.1 DLUHC's Homelessness Prevention Grant allocations: Homelessness Prevention Grant: 2022 to 2023 - GOV.UK (www.gov.uk)

18.2 DLUHC's Rough Sleeper Initiative allocations: Rough Sleeping Initiative: 2022 to 2025 funding allocations - GOV.UK (www.gov.uk)

Appendix 1 - Equality Analysis

1. Name of activity:	**Integrated pathway of accommodation and support services for single homeless people (allocation of additional government grant - RSI5 and HPG 2022/23)**
2. Main purpose of activity:	**To provide accommodation-based support for single homeless people, especially those with complex needs, with the ultimate aim of assisting them into independent living. Additional grant funding will enable the provision of intensive support to clients with the most complex needs.**
3. List the information, data or evidence used in this assessment:	NHC Locata database of housing advice and homelessness approaches. NHC assessment of single homelessness in the district, submitted as part of Council's bid to DLUHC's Rough Sleeping Initiative round 5 (RSI5). Information note to 21 June 2022 Cabinet: update on the demand for accommodation and support services for single homeless people. DLUHC Ending Rough Sleeping for Good Shelter analysis homelessness and BAME community Centrepoint LGBTQplus safe spaces ONS statistics Deaths of homeless people in England and Wales

4. Assessment				
Characteristics	**Neutral** (x)	**Negative** (x)	**Positive** (x)	Describe the person you are assessing the impact on, including identifying: community member or employee, details of the characteristic if relevant, e.g. mobility problems/particular religion and why and how they might be **negatively or positively** affected. **Negative: What are the risks?** **Positive: What are the benefits?**
Community considerations (i.e. applying across communities or associated with rural living or Human Rights)	☐	☐	**x**	**Negative** **Positive** The single homeless pathway provides support and accommodation for local people in need across the district. The Council also funds an outreach service which pro-actively seeks to engage with rough sleepers, wherever they are identified across the district.
A person living with a disability	☐	☐	**x**	**Negative** **Positive** A significant proportion of the single homeless cohort have support needs. These include poor mental health (over half of the cohort in 2021/22), physical ill health (one-third) and substance dependency (one-quarter). Additional funding for the pathway will enable the provision of intensive support for those with the most complex needs, many of whom would not be accommodated otherwise (and who have previously been refused access to or evicted from supported housing schemes due to poor behaviour and/or unmet support needs).

				Accessible accommodation is provided for within the pathway (although, generally, supply is a challenge because of the extreme scarcity of affordable accommodation in the district).
A person of a particular race	☐	☐	x	**Negative** **Positive** Minority ethnic groups are more likely to experience homelessness with black people in particular more than three times as likely to (borne out nationally and by our local data, with 7% of single people approaching as homeless in 2022/23 to date being black, despite comprising 2% of the North Herts population). Additional funding for the single homeless pathway is therefore likely to benefit this group in particular.
A person of a gay, lesbian or bisexual sexual orientation	☐	☐	x	**Negative** **Positive** National evidence points to LGBTQ+ people being more at risk of homelessness however local data suggests a very small number of LGBTQ+ people applying as homeless in the district (4 in 2022/23 to date, although non-response rates are large).
A person of a particular sex, male or female, including issues around pregnancy and maternity	☐	☐	x	**Negative** **Positive** The lack of accommodation for single homeless women with complex needs has been identified as a gap in our local service provision, with historic hostel provision being dormitory style male only accommodation. Additionally, almost one-fifth of single people approaching as homeless have experienced or are at risk of some form of abuse, including sexual and domestic, with the majority of these being women. Funding has therefore been proposed for a new female only scheme (2 year pilot) in the district, part-funded by HCC. This will provide support and accommodation for 6 women at a time.
A person of a particular religion or belief	**x** (the majority of applicants did not respond)	☐	☐	**Negative** **Positive**
A person of a particular age	☐	☐	x	**Negative** **Positive**

				Young people are more likely to be faced with homelessness and rough sleeping (under 25s made up 19% of those owed a homelessness duty by the Council for assistance this year). Additional funding for the pathway is therefore likely to particularly benefit younger applicants although decisions as to support and accommodation offered to applicants will always be determined by homelessness legislation and statutory guidance (as in all cases). Note that national evidence shows that life expectancy of rough sleepers is far shorter than for the population as a whole so interventions aimed at this cohort as a whole will promote positive health outcomes.
Transgender	☐	☐	x	**Negative** **Positive** National evidence points to LGBTQ+ people being more at risk of homelessness however local data suggests a very small number of LGBTQ+ people applying as homeless in the district (4 in 2022/23 although large non-response rates).

5 Results			
	Yes	**No**	
Were positive impacts identified?	x	☐	Additional funding for the single homeless pathway will enable intensive support to be provided to those with the most complex support needs. This cohort includes some of the most vulnerable people in the district who, without assistance, will continue to face ongoing barriers to positive life outcomes (including repeated homelessness, exclusion from society, poverty and ill health) and lack of opportunity to address support needs.
Are some people benefiting more than others? If so explain who and why.	x	☐	This intervention is aimed at those with the most complex support needs, including those with mental health issues, poor physical health, substance misuse and victims of violence and abuse (most likely to be women). Young people, ethnic minority groups and LGBTQ+ people are more likely to experience homelessness, therefore these groups may also benefit more than others. Service providers on the pathway will be required to monitor and report on key measures of performance including outcomes by protected characteristics.
Were negative impacts identified (what actions were taken)	☐	x	

6. Consultation, decisions and actions
If High or very high range results were identified who was consulted and what recommendations were given?

Consultation has taken place through the planning approvals process and through routine channels of communication with ward councillors, service providers and other specialist agencies in the local homelessness sector.		
Describe the decision on this activity		
See Planning decisions . Earlier delegated decisions relating to funding of the pathway were taken on 18 May 2021, 13 August 2021 and 25 January 2022.		
List all actions identified to address/mitigate negative impact or promote positively		
Action	Responsible person	Completion due date
Regular and close working with service providers through formal and informal contacts will highlight any issues in a timely way.	Contract managers	ongoing
When, how and by whom will these actions be monitored?		
Ongoing and regular dialogue with service providers; formal monitoring and reporting as per contractual agreements. Separate DLUHC monitoring and reporting requirements of NHC for DLUHC funded interventions. Also regular internal monitoring of housing and homelessness activity, published in MIS.		
7. Signatures		
Assessor		
Name: **Tiranan Straughan**	Signature** T F Straughan	
Validated by		
Name: **Martin Lawrence**	Signature** M Lawrence	
Forward to the Corporate Policy Team		
Signature** G R CHAPMAN		
Assessment date: **02/12/2022**	Review date: **02/12/2023**	

** **Please type your name to allow forms to be sent electronically.**

A copy of this form should be forwarded to the corporate policy team and duplicate filed on the council's report system alongside any report proposing a decision on policy or service change.

CABINET
13 DECEMBER 2022

***PART 1 – PUBLIC DOCUMENT**

UPDATE ON REFUGEE RESETTLEMENTS

INFORMATION NOTE OF THE STRATEGIC HOUSING MANAGER

EXECUTIVE MEMBER CLLR SEAN PRENDERGAST

PRIORITY: PEOPLE FIRST

1. SUMMARY

1.1 To provide Cabinet with an update on refugee resettlement in the district.

2. STEPS TO DATE

2.1 This information note has been produced following the recent conclusion of arrangements for the resettlement of a further two refugee families in the district.

2.2 An earlier information note on asylum dispersal and refugee resettlement schemes was provided to Cabinet on 13 September 2022.

3. INFORMATION TO NOTE

3.1 To date this year (2022/23), the Council has received just over 800 approaches for homelessness and housing advice, and owed a legal duty to a further 253 households to help prevent or relieve their homelessness. The Council has also played its role in nationwide efforts to assist refugees fleeing conflict and persecution, resettling a number of refugee families in the district.

3.2 The Council successfully fulfilled a commitment in May 2019 to resettle ten Syrian families (totalling 50 individuals) in the district under the Syrian Vulnerable Persons Resettlement Scheme (VPRS). Recently, in March 2022, the Council has also resettled two Afghan families following the withdrawal of US and UK troops from Afghanistan last year. Schemes including the Syrian VPRS have since been consolidated and replaced by a new, global UK Resettlement Scheme (UKRS).

3.3 Cabinet resolved at its meeting on 31 October 2019 that:

(1) the Government's extended refugee resettlement programme be supported;

(2) Cabinet agrees to resettling ten Syrian refugees in North Hertfordshire in the first year of the new global resettlement scheme and authorises officers to make the necessary arrangements to deliver this commitment.

3.4 The UKRS was paused during the COVID-19 pandemic but has now resumed and the Council has sourced two housing association properties suitable for two families of five. However, the Home Office, which is responsible for identifying candidates for resettlement, has only been able to identify one Syrian family of five for resettlement in North Herts, advising there will be a delay before a second family can be identified. As the properties are available for immediate occupation, in place of a second Syrian

family, the Home Office has selected an Afghan family of five, which the Council has now accepted as its second placement under the UKRS, fulfilling its current commitment under the scheme.

3.5 This is considered to meet Cabinet's resolutions noted at paragraph 3.3, given the pause to the scheme because of the pandemic, the current lack of Syrian families of five, the global focus of the UKRS and Cabinet's resolution to support the scheme and also the continuing urgent need to resettle Afghan refugees.

3.6 As with previous resettlements, daily support will be provided by the Refugee Council with the full cost of resettlement met by the Home Office.

3.7 The Council continues to receive a small number of approaches for housing assistance from Ukrainian refugees whose sponsorship arrangements have ended or broken down. Over recent months, we have provided four families with temporary accommodation in the district, with one continuing to remain in temporary accommodation. With over 270 individuals confirmed to have arrived in the district under the Homes for Ukraine scheme and with initial six-month sponsorship periods increasingly coming to an end, this remains a likely source of additional pressure on the Council's housing services.

4. NEXT STEPS

4.1 The UK Resettlement Scheme is ongoing and further requests for local authority resettlement offers are likely. Cabinet will be informed as details emerge at which point, should Cabinet wish, the previous resolution to house the remaining Syrian family of five can be considered alongside any wider commitments under the UKRS.

4.2 Full Council are due to consider a proposal for a new fixed term member of staff to manage resettlement activity (fully funded by the Home Office) as part of the budget process in February 2023.

4.3 The Council, together with other district/borough colleagues and Hertfordshire County Council (HCC) will continue to monitor the Ukrainian situation closely. HCC has been active in re-matching activity and supporting guests to find alternative accommodation as well as incentivising existing hosts' continued participation and recruiting new hosts. Whilst homelessness legislation will provide a safety net where required, there is a shared purpose in striving to keep reliance on this route to a minimum.

5. APPENDICES

5.1 None.

6. CONTACT OFFICERS

6.1 Martin Lawrence, Strategic Housing Manager, martin.lawrence@north-herts.gov.uk, 01462 474250.

7. BACKGROUND PAPERS

7.1 Home Office, Refugee Resettlement: Policy Guidance (Aug 2021) Resettlement (publishing.service.gov.uk)

CABINET
Tuesday 13th December 2022

***PART 1 – PUBLIC DOCUMENT**
Any queries must be directed to the Democratic Services Manager

TITLE OF REPORT: Adoption of the Museum Strategy 2022 - 2026

REPORT OF: Culture and Facilities Service Manager

EXECUTIVE MEMBER: Councillor Keith Hoskins, Executive Member for Enterprise and Arts

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

1. EXECUTIVE SUMMARY

This report requests approval and adoption of the new North Herts Museum Strategy 2022 – 2026. North Hertfordshire Museum Service has produced a draft North Hertfordshire Museum Strategy, 2022 to 2026. The strategy describes the museum service's four main aims, which relate to: Audience, Finance, Collections, Organisation. Each aim is then explained in more detail. The document is illustrated throughout with recent images from the museum.

2. RECOMMENDATIONS

2.1. That the current draft of the Museum Strategy 2022 - 2026 be approved.

2.2. That the Council / Committee adopt the strategy for the years 2022 – 2026.

3. REASONS FOR RECOMMENDATIONS

3.1. The previous Arts, Museums and Heritage Strategy expired some years ago and a new strategy will guide the ambitions of the museum service in the years ahead.

4. ALTERNATIVE OPTIONS CONSIDERED

4.1. The alternative option would be to continue without a strategy guiding the work of the museum service in the years ahead. This would lead to a lack of strategic direction for the service and potentially risk the work of this service area becoming un-coordinated and lacking an ultimate goal or ambition.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

5.1. The Executive Member and Deputy Executive Member have been consulted on the strategy document and the strategy has also been taken to Political Liaison Board and Leadership Team.

In June 2022 the draft strategy was sent out with the regular online museum newsletter, asking for comments. This newsletter goes to over 9000 email addresses; a mix of visitors who have completed forms in the museum, and people who ticked an interested in museums/heritage option when signing up for North Herts Council's email newsletters. It was also sent to key members of local societies who have always expressed an interest in the museum, such as the Letchworth Garden City Society, the Hitchin Historical Society, the North Herts Archaeology Society, and the Letchworth Naturalists.
3262 people who received the newsletter opened it (a good response rate – much higher than the average email open rate of 21.5%), and of these, 52 actually clicked on the link to open the strategy. Ten then emailed in with comments. These were overwhelmingly positive about the new museum, but they included some helpful suggestions, particularly about things that had mistakenly been omitted – such as mention of our important natural history collection. One correspondent noticed that the strategy didn't actually mention the fact that the museum was wheelchair accessible, while another suggested we mention our talks to U3A. The current draft strategy now includes alterations made as a result of these comments.

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 4th November 2022.

7. BACKGROUND

7.1. This report has been written as a recommendation for approving and adopting a new strategy for the museum service was due, given the previous strategy document has now expired. Following a 2004/5 Best Value Review of the Museum Service, North Herts Council proposed the closure of the former Hitchin and Letchworth Museums, and the opening of one new North Herts Museum on a town centre site. In order to apply for almost £1million Heritage Lottery grant-aid towards the internal fit-out of the proposed new museum, the grant application required a published strategy. This was to ensure that Lottery funding went towards projects that were already in the public domain, with clear aims, and strong support from the parent organisation, in our case, North Herts Council.

Following a huge amount of consultation, with regular meetings across the district, in 2007 North Hertfordshire Museum Service published the Arts, Museums & Heritage Strategy 2007-12. The AMH Strategy clearly stated that one of the Council's main aims was to replace its two museums in Letchworth and Hitchin with one town centre museum and gallery facility. The strategy was very much of its time, when the Council, the Letchworth Garden City Heritage Foundation, and County all had more resources and more staff than is the case now. North Herts Council had run a couple of Book Festivals, and there was more funding for cultural partnership projects of this type. The strategy had an ambitious Action Plan, covering music, dance, and drama, as well as museums and heritage. It referenced North Herts Council's earlier Leisure & Cultural Strategy, 2001-2005, and also mentioned its Play Strategy 2006-2009, and was a wider-ranging document than the new strategy.. The AMH Strategy was successful in its unwritten aim

of helping gain grant aid, as in 2011 the museum service gained Phase 1 Lottery funding to develop plans for the new museum, and in 2014, a major Phase 2 grant for the museum fit-out was agreed. Although the Museum Service intended to update the AMH Strategy, this was never a priority once the new museum began to take shape.

8. RELEVANT CONSIDERATIONS

8.1. Since full opening of the new North Herts Museum in 2019, staff realised that it was becoming increasingly important to produce a current strategy, to show to potential grant-giving organisations such as the Arts Council and the National Lottery Heritage Fund. Staff wanted a document that would demonstrate that North Herts Museum is a professional modern museum which works to deliver our vision of creating 'a welcoming museum that plays an active role in the life of the district.' When we looked at the old *AHM Strategy*, it became clear that this could not be updated, as so much has changed since it was written. We would need to start again, this time concentrating on the museum service rather than a wider cultural strategy. A draft strategy was produced by the museum team, based on strategies produced by other high-performing museums. The layout was then designed by Diane Town using a wide range of recent images of the museum and its activities.

The new strategy is half as long as the previous one, at 12 rather than 24 pages, yet it contains far more detail about what the museum aims to do. These aims fall into four areas - Audience, Finance, Collections, Organisation, and each area is then broken down further, into bullet points, each with an informative paragraph. The bullet points for each aim are as follows:

1. Audience aims

- Give the people of North Herts and beyond the opportunity to access high quality heritage, art and culture
- Involve a wider range of people in the heritage and culture of North Herts.
- Exceed visitor expectations

2. Finance aims

- Ensure that the museum is financially sustainable
- Maximise opportunities to generate income
- Engage with grant-giving organisations where appropriate
- The museum plays a part in boosting the local economy

3. Collections aims

- Improve museum storage to ensure best care of our collections
- Continue digitisation of collections
- Organise inspiring programme of exhibitions, talks and workshops, in person and online
- Use collections to become a learning and a teaching organisation for all ages
- Continue to develop the collections further, continuously improving interpretation of the district's past

4. Organisation aims

- Work towards the council's climate change agenda
- Become more resilient, enabling long-term sustainability
- Through the museum, help deliver the council's aims of putting people first and delivering sustainable services, to enable a brighter future together
- Cultivate community partnerships
- Attract and retain a wide range of volunteers
- Retain Museums Accreditation
- Give people opportunities to develop new skills and become more creative

Each bullet point is accompanied by a paragraph giving more detail.

The committee is asked to review the content of the strategy document and if satisfied, to adopt the strategy as a guiding document for the service areas work in the years ahead.

9. LEGAL IMPLICATIONS

9.1. Cabinet's Terms of Reference include at 5.6.1 the power 'to prepare and agree to implement policies and strategies other than those reserved to Council'.

9.2. The Public Libraries and Museums Act 1964 and the Local Government (Miscellaneous Provisions) Act 1976 confirms the Council's statutory power to operate a Museum. S111 of the Local Government Act 1972 confirms that a local authority has power to do anything (including in relation to finance and property) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions.

10. FINANCIAL IMPLICATIONS

10.1. There are no direct financial implications as a result of approval and adoption of the strategy document, however the strategy makes reference to other ambitions and projects, such as the creation of a new museum collection storage facility, which the committee will need to be satisfied adhere to current and future financial plans.

11. RISK IMPLICATIONS

11.1. Failure to agree a Museum Strategy could lead to a lack of direction and an un-coordinated approach to Museum activities This could negatively impact on the Public's experience of the facility.

11.2. Not having a Strategy in place could affect our ability to submit successful funding applications to organisations such as the Arts Council and National Lottery Heritage Fund.

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 museum strategy aims to ensure the museum service reaches as wide and diverse an audience as possible. With regards to the Public Sector Equality Duty, this strategy document will help to align the development of the service with our responsibilities under the duty but will also guide how we hope to deliver services to all residents and visitors of North Herts over the coming years.

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 direct Environmental impacts or requirements that apply to the actions recommended in this report. However, the report does make reference to other projects such as the development of a new store for the museum collection, which will have environmental implications. These projects however are not the subject of this report and will be subject to their own approval process in isolation, including consideration of environmental implications, separate to the strategy document. The committee should however satisfy themselves that the ambitions and projects covered in the strategy document conform and align with the Councils environmental commitments for the years ahead.

15. HUMAN RESOURCE IMPLICATIONS

15.1 There will be no impact on staff as a result of this strategy document, other than to guide their work in their service area over the coming years.

16. APPENDICES

16.1 Appendix 1 is the Museum Strategy 2022 – 2026 and is the subject of this report.

17. CONTACT OFFICERS

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Culture and Facilities Service Manager
Robert.orchard@north-herts.gov.uk
ext 4287

Ros Allwood
Cultural Services Manager
ros.allwood@north-herts.gov.uk
ext 4236

18. BACKGROUND PAPERS

18.1 There are no background papers provided with this report.

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North Hertfordshire Museum

MUSEUM STRATEGY

2022 - 2026



nh NORTH HERTFORDSHIRE museum

North Herts Council

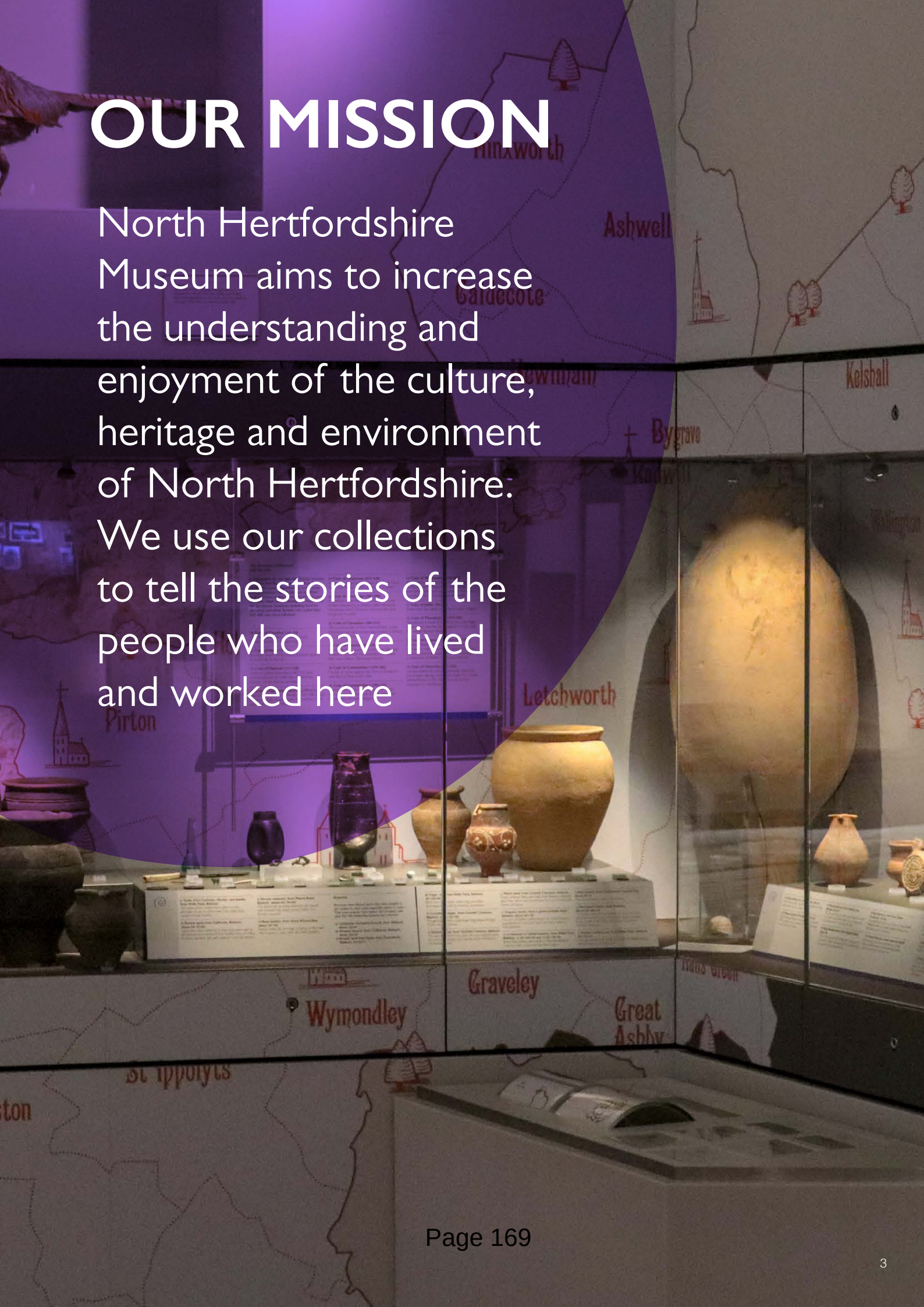
OUR VISION

Our vision is to provide a welcoming museum that plays an active role in the life of the district



OUR MISSION

North Hertfordshire Museum aims to increase the understanding and enjoyment of the culture, heritage and environment of North Hertfordshire. We use our collections to tell the stories of the people who have lived and worked here



OUR AIMS

These fall into four areas; Audience, Finance, Collections, and Organisation
These are highlighted here and explored in more detail later in the strategy

1. Audience aims

Give the people of North Herts and beyond the opportunity to access high quality heritage, art and culture, with national quality temporary exhibitions

Involve a wider range of people in the heritage and culture of North Herts

Exceed visitor expectations

2. Financial aims

Ensure that the museum is financially sustainable

Maximise opportunities to generate income

Engage with grant-giving organisations where appropriate

The museum plays a part in boosting the local economy

3. Collections aims

Improve museum storage to ensure best care of our collections

Continue digitisation of collections

Organise inspiring programme of exhibitions, talks and workshops; in person and online

Use collections to become a learning and a teaching organisation for all ages

Continue to develop the collection further, continuously improving interpretation of the district's past

4. Organisation aims

Work towards the council's climate change agenda

Become more resilient, enabling long-term sustainability

Through the museum, help deliver the council's aims of putting people first and delivering sustainable services, to enable a brighter future together

Cultivate community partnerships

Attract and retain a wide range of volunteers

Retain Museums Accreditation

Give people opportunities to develop new skills and become more creative

1. Audience aims

Give the people of North Herts and beyond the opportunity to access high quality heritage, art and culture

We will programme a wide range of temporary exhibitions, from local artists and groups in the Arches Gallery, to touring exhibitions of national and international quality in the main exhibition gallery, such as *Matisse, Drawing with Scissors* (2017) and *Rembrandt in Print* (2020). Some exhibitions will be hired in, others generated in-house from the museum collections. We will ensure that some exhibitions appeal to families and children (such as the 2021 *The Tiger who came to Tea*, the British Library's *Paddington* exhibition in 2022 or the 2023 *Drawings for the BFG* while others, such as the *Back to the Drawing Board* art exhibition in 2022 are aimed more at adults. We will engage high quality artists and speakers to run talks and creative and heritage-based workshops linked to temporary exhibitions, displays, or national events.

Involve a wider range of people in the heritage and culture of North Herts

We will improve our market research to ensure that we have a greater understanding of our current audience. We can then use our social media and print to better target those people who may not know about the museum or feel that it is for them. We will continue to engage with national events like Black History Month, S. Asian Heritage Month and Pride events so that these audiences want to visit the museum. We will also advertise our major exhibitions further afield, working with other local attractions to promote the museum and district as a tourist destination. We will run an active programme of displays, talks, art and creative activities for all ages and abilities to build a core audience of loyal supporters. By ensuring that there is something new to see on every visit, whilst remaining loyal to the focus of displaying the core heritage of the district, we aim to attract new visitors, and convert them to becoming repeat visitors.

We aim to ensure that the museum is accessible to as many as possible, with wheelchair access to all floors, accessible toilets on ground and first floors, and Braille labels available at reception. We aim to provide a first-class service for adults and children with diverse needs, including opening the museum at quiet times when it is normally closed, such as Mondays. We aim to increase the number of schools using our Education Service in the museum, and externally, in schools and digitally.

Exceed visitor expectations

The museum staff pride themselves on their professionalism while being open and welcoming. Our visitor service standards are high, and we aim to aim to exceed visitor expectations in the quality of the collections, the displays, the ambitious exhibition programme, the shop and café.
The front-of-house team gain well deserved praise from the visitors, and we intend this to continue. Praise for the range and quality of our social media shows that this is much appreciated, and we aim to increase online engagement.



2. Financial aims



Ensure that the museum is financially sustainable

North Herts Museum will continue to charge for many of its talks (both in the museum and as outreach) and workshops. Workshop prices will vary in price depending on the activity (to include cost of materials, and freelance tutor if appropriate) and the targeted audience. The income gained this way has been increasing steadily, and we expect this to continue. A few activities for children (such as storytelling or museum quizzes) will be free or at a nominal cost to ensure we are providing an engaging service to everyone, including families on low incomes.

The Museum Education Service will also continue to operate a subscription scheme, which includes teaching sessions and school loans.

The museum will generate income from its gift shop with attractive ranges of products; from locally sourced giftware and souvenirs, to special ranges relating to temporary exhibitions or events which the museum will be running.

The museum café is crucial in helping maintain commercial sustainability. Its offer will change with the seasons, and where possible will offer meals and snacks relating to museum exhibitions or events. It is building a reputation for somewhere with locally-sourced and Fairtrade products, with a range of vegan and vegetarian options, and this is a selling point we aim to advertise more widely. The kitchen has been fully equipped to cater for large scale events in the Mountford Hall next door, enabling a variety of events catering.



Maximise opportunities to generate income

The museum now has a contactless card donation point to supplement the existing cash donation box, which is already generating a useful regular income.

We intend to offer tours for small groups led by our knowledgeable front-of-house staff, which will raise income through suggested donations.

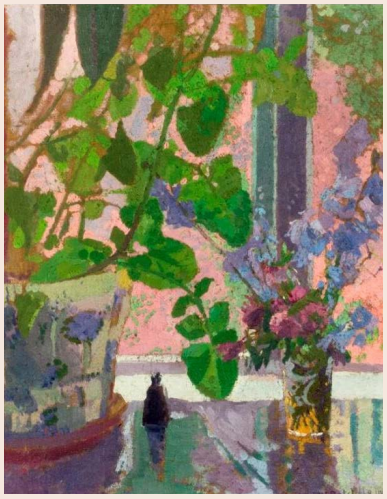
The museum plans to resurrect previous income-generating activities, such as the popular Escape Rooms, and explore new income streams such as Nights at the Museum.

We also aim to create a charitable arm through a membership scheme, such as a Friends or Supporters group. In return for an annual fee, the members will receive benefits including discounts in the gift shop and café, discounted venue hire at the museum, and possible priority access to booking events and invitations to preview evenings. This group could also act as an additional consultation forum for the museum.

The museum will investigate possible sponsorship of exhibitions, leaflets and any new museum vehicles as a way of generating additional funds. Advertisements in museum leaflets or on the website could create further revenue streams. The museum will explore publicising bequests as a tax-efficient way of giving for legacy donors.









Apply for grant-aid to achieve our aims where possible

North Hertfordshire Museum has been particularly successful in applying for grant aid; gaining almost £35,000 in 2020-21 from V & A/Arts Council England, Hertfordshire Heritage Fund, Royal Opera House Bridge, Hertfordshire Association of Museums, and the Institute of Conservation. Additional funds were gained in partnership with Stevenage Museum from the National Lottery Heritage Fund. The grants helped the museum produce digital learning resources for families and for schools, conserve local archaeology, acquire a William Ratcliffe painting, purchase digital storage, and employ freelance artists for a digital project, and a lockdown project for people with dementia. North Hertfordshire Museum is hugely grateful to these funders, as this work would not have gone ahead without the grants. The museum will continue to engage with grant funding organisations as appropriate, by ourselves or in partnership with other museums.

Aim for the museum to play a part in boosting the local economy

The museum aims to develop closer partnership working with local organisations such as the local BIDS and Letchworth Garden City Heritage Foundation as a way of maximising the tourism offer of the District. We will explore shared advertising, and discounted tickets to multiple attractions, restaurants or accommodation, so that all the stakeholders can share the benefits of a vibrant visitor economy.

The sourcing of local contractors, goods and materials from local sources is encouraged and supported by the authority's *Go Local* policy.

3. Collections aims

Improve museum storage to ensure best care of our heritage

The museum service store at Burymead Road is reaching the end of its life. It was never built as a museum store, and is overcrowded, inaccessible for the general public and does not meet modern storage standards. Although there is some onsite storage at North Hertfordshire Museum, most of our storage is offsite at Burymead. By 2025, North Hertfordshire Museum aims to have demolished the current store and built a completely new modern museum store with high-quality security and environmental controls. The new store will be accessible for staff, volunteers and the public, including school groups, as well as having a dedicated research room. This will ensure that the heritage of North Hertfordshire can be preserved more effectively for the future.

Continue digitisation of collections

During the unexpected lockdown in 2020-21, the museum's digitisation programme suddenly became the only way of reaching our audiences. We received an Emergency Coronavirus grant from Arts Council England to improve our online offer, and we now have a You Tube channel, and post on Facebook, Instagram and Twitter almost daily. Digitisation is now an embedded part of what the museum does. Almost four and a half thousand from the museum's collections are available to view online on our website, through the eHive collection management system, and this is added to weekly.















Organise inspiring programme of exhibitions, talks and workshops; in person and online

North Hertfordshire Museum is fortunate to have a purpose-built exhibition gallery with the high-quality security and environmental conditions necessary to gain a Government Indemnity (or insurance), enabling us to borrow artworks from national collections. Following the success of the *Rembrandt in Print* exhibition in 2020, the museum aims to continue to hire in or borrow works by well-known artists, which would not otherwise be seen in the district. Our visitors' book was full of comments such as 'More like this please'; clear evidence of local demand for high-quality art. Where possible we will make links with works in our own collections, such as the Griggs exhibition from the Ashmolean, where we displayed prints and ephemera relating to this Hitchin-born artist.
We will also put on exhibitions of art or objects from our own excellent collections, including archaeology, natural sciences, local and social history, and programme some specifically for children and families. The museum aims to run a busy programme of talks for the general public on all aspects of the museum collections and will ensure that where appropriate all temporary exhibitions have a programme of related talks and workshops. Curators also offer talks to local societies and U3A groups either in the museum or externally.

Use collections to become a learning and a teaching organisation for all ages

North Hertfordshire Museum has a long history of working with schools, both through teaching in the museum and in schools, and through the extensive School Loans Collection, one of the most comprehensive in the Eastern region. We aim for this important work to continue, and with the involvement of local schools are also exploring how we can offer digitised educational resources.
We work with children and young people with a range of needs and can offer some teaching in BSL. The museum is also keen to offer historical and creative sessions for adults as well as children, and to increase usage of our reminiscence boxes.

Continue to develop the collection further, continuously improving interpretation of the district's past

North Hertfordshire Museum will continue to develop its collection in line with its Collections Development Policy and will evaluate the prospect of accessioning new objects into the collection through a range of means. This may include anything from public donations and archaeological finds through to auctions of artworks. Wherever our curators consider the acquisition of an object to enhance our current ability to tell the stories of North Herts, serious consideration will be given as to whether it should become an accessioned object in line with our policies.

4. Organisation aims







Work towards the council's Climate Change agenda

In May 2019 North Herts Council declared a climate emergency. The Museum Service aims to use the Climate Change Strategy throughout its activity, ensuring that our actions and purchases support the council policies, in particular with regard to carbon reduction. The café has already phased out all single-use plastics possible, and the museum aims to use renewable and recycled materials wherever possible, and ensure that all future developments, such as a new museum store, are built with the council's climate change agenda in mind.

Become more resilient

By increasing the income streams to the museum, through our commercial activities such as the shop and café, through charging for some museum activities, such talks, workshops and *Behind the Scenes* tours of our stores, through hiring out the Terrace Gallery, through increased donations and through grant-aid, we aim to increase our financial resilience. We also aim to make more of our links with the adjoining Hitchin Town Hall and the events there, as working together increases the resilience of both parts of our organisation. We are aware of the importance of succession planning to the organisation, and aim to ensure that we have realistic and focused succession and business continuity plans. We also aim to embed ourselves in the community, ensuring that the museum plays an active part in the life of the district.

Through the museum, help deliver the council's aims of putting people first and delivering sustainable services, to enable a brighter future together

We aim to do this in many ways; through our displays and exhibitions, our curatorial and educational work in the museum and out in the community. Our goal is for the museum, with its shop and café, to become the top tourist attraction in the district, for local people and visitors regionally and nationally. It is also somewhere people want to work, and somewhere that creates employment and volunteer opportunities in the district.

Cultivate community partnerships

Partnerships are crucial to the success of the museum and will continue to be so. Much of our grant-aid has been acquired for projects where we are working with other local museums, such as the British Schools Museum and Stevenage Museums (with the Museum Champions young people projects) and Stevenage Museum, Knebworth House and the Garden City Collection, for our Suffrage project. We have partnered with Stevenage Museum for the Doorstep Discoveries dementia project, and also for a lockdown digital education project. We have worked in partnership with many local groups, and aim to extend this work, particularly with groups representing audiences which are under-represented in our museum visitors, such as ethnic and other minority groups, and adults and children with particular needs.
We aim to work more closely with Hitchin Library, particularly in terms of their special displays reflecting our exhibitions. We will continue to work with specific groups for children including Cubs and Brownies, and those with disabilities such as Angels, for children with attention deficit and autism spectrum disorders, and will seek to engage with other local groups of this kind. Museum staff have long supported other museums such as Ashwell Museum and Royston Museum and local history societies in this area, through museum mentoring, staff mentoring, as Trustees or committee members, and intend this to continue.

North Herts Museum will aim to work more closely with Hitchin and other local BIDs to become a more established part of the local business community and discover ways in which we can collaborate and assist each other, particularly in joint advertising and marketing ventures.

Attract and retain a wide range of volunteers
North Hertfordshire Museum is fortunate to have a range of volunteers of all ages, doing extremely useful tasks, including cataloguing, scanning, creating databases and helping visitors, for which the museum is extremely grateful. Volunteers have so much to offer the museum, and we know that the museum service is equally important for our volunteers in terms of improved mental health, work experience, and opportunities to learn new skills. Some of our volunteers just want to give something back to the community and support a local service they value. The museum aims to continue to provide a diverse range of areas for volunteering. Some volunteers stay for years, some just want to help for a couple of days, but we welcome all volunteers, and aim to give as many people as possible a chance to support the museum in this way.



Retain Museums Accreditation
Museums Accreditation is the industry standard for museums in the UK. Managed by Arts Council England on behalf of the UK Accreditation partners, it provides nationally agreed standards on how museums are run, how they manage their collections, and how they engage with their users. North Hertfordshire Museum is an Accredited Museum and aims to re-apply for successful Accreditation every few years, as necessary. Without it, the museum would not be able to apply for many of the available grants, or to borrow works from other Accredited museums, all of which increase our standing locally and regionally, at the same time as improving the services we offer.



Give people opportunities to develop new skills and become more creative
North Hertfordshire Museum aims to provide staff, volunteers and visitors of all ages and abilities with a range of ways in which they can develop news skills and become more creative. These range from creative art and craft workshops to poetry, creative writing and dance projects. We will continue to think of ways in which the museum can stimulate creativity in our community, and digitally, even further afield. We also aim to give people a chance to learn behind-the-scenes museum skills, such as how to digitise museum collections, how to pack and store paintings and costume or family photographs, and how to research family history. The museum and Hitchin Town Hall already employ one local apprentice to learn digital marketing skills, such as social media, and the museum is about to employ an apprentice to assist with and learn about the museum Education Service. We currently host a disabled curatorial trainee on a national grant-aided scheme, 'Curating for Change', and would be delighted to do more in this way.



A draft copy of this Strategy was emailed to over 9000 individuals and groups for their comments. North Hertfordshire Museum thanks everyone who took the time to read it and send in suggestions for additions or alterations. We have tried to include as many as possible in this final document, which will be reviewed every four years by the council.







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CABINET
13 December 2022

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: HALF YEARLY REPORT ON RISK MANAGEMENT GOVERNANCE

REPORT OF: THE SERVICE DIRECTOR - RESOURCES

EXECUTIVE MEMBER: FINANCE AND IT

COUNCIL PRIORITY: ALL

1. EXECUTIVE SUMMARY

To provide the Committee with an update on the effectiveness of the Risk Management Governance arrangements at North Herts Council

2. RECOMMENDATIONS

2.1. That Cabinet notes the update and any recommendations from FARC on the Half Yearly Risk Management update

2.2. That Cabinet approves the changes and any associated recommendations from FARC on the review of the Risk Management Framework.

2.3. That Cabinet comments on and notes any recommendations from FARC on the type of Risk Management Training they would like to see going forward.

3. REASONS FOR RECOMMENDATIONS

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

3.2. This Committee has responsibility to monitor the effective development and operation of Risk Management.

4. ALTERNATIVE OPTIONS CONSIDERED

4.1. There are no alternative options that are applicable.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

5.1. Consultation has been undertaken with Leadership Team and the Risk Management Group (RMG). This includes the Executive Member for Finance and IT as Risk Management Member Champion, and these recommendations were supported. Lead Officers discuss these risks with the relevant Executive Member.

6. FORWARD PLAN

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

7. BACKGROUND

7.1 Under the new process for the monitoring of the Council Delivery Plan, the Overview and Scrutiny Committee have taken on the monitoring of those risks affecting the delivery of the Plan. Finance, Audit and Risk Committee will focus on its role (as set out in the Constitution) of "monitor[ing] the effective development and operation of risk management". To achieve this, the Committee will receive a mid-year (in December) and end of year (in June) report. The June report will focus on the Annual Report of Risk Management.

7.2 The intention is for the six-monthly report to provide an update on broader risks and mitigations, and to provide assurance that risk governance arrangements are working and that effective risk management processes are in place. Detailed review of specific risks can be requested on an ad hoc basis and provide the opportunity to bring the risk owner's expertise into the room.

8. RELEVANT CONSIDERATIONS

8.1 RISK MANAGEMENT GOVERNANCE

8.1.1 The Councils Risk Management Framework (RMF) requires us to

- Identify and document key risks in all areas of our business, understand them and seek to proactively manage them.
- Assess each risk, identify existing controls, and further actions required to reduce the risk.
- Have Business Continuity Plans in place for each of our service areas, which identify the key functions, what the risks are and how they can be mitigated to allow them to continue operating.
- Develop capacity and skills in identifying, understanding, and managing the risks facing the Council.
- Regularly review the Risk Management Framework and update it in line with statutory and best practice requirements.

8.2 Risk Identification and Assessment

8.2.1 A full list of Corporate Risks linked to the Council Delivery Plan is provided in Appendix A. 28 new risks were created to form the original Council Delivery Plan, reported to this committee in March 2022, and a further 3 risks have been added since that date, namely

Churchgate, Resourcing and Shared Prosperity Fund. Reporting on the Council Delivery Plan, has allowed us to streamline the risk records, highlighting the actions the Council needs to take to manage the risk. Each risk has been assessed and shows an initial risk score, current risk score and a target risk score. The controls and mitigating actions column, sets out how officers are proposing to either reach the target risk score, or maintain the existing risk score, if it has been decided the risk cannot be managed any lower.

8.2.2 All risks can be viewed on Pentana, the Council's Risk and Performance software. Guest login details and guidance on navigating the system can be found on the intranet at the link below.

Pentana Risk | Intranet (north-herts.gov.uk)

The analysis of Risk data is shown in Table 1

Table 1	**Council Delivery Plan Risks**	**Service Risks**
Green Risks (1-3)	11	14
Amber Risks (4-6)	13	19
Red Risks (7-9)	7	9
Risks with reduced risk scores	4	17
Risks with increased risk scores	0	6
Risks with unchanged risk scores	27	19
New Risks	31	3
Deleted Risks	5	9

8.2.3 Risk reviews are scheduled within Pentana Risk, (our performance and risk software) and automated reminders are sent to service areas when risks are due to be reviewed, in line with the RMF requirements. Service areas are assisted by the Performance and Risk Officer to ensure that information is captured in line with the RMF.

For the period from April 22 to date,

- 79 Corporate risk reviews were carried out in line with the RMF requirements, out of a possible 80 (99%). The remaining risk review which should have taken place in September is being scheduled in with the relevant Service area.
- 72 service risk reviews were carried out in line with the RMF requirements, out of a possible 79 (91%)

All the late service reviews have now been completed. It should be noted that reviews over the summer months may take place later than usual due to staff holidays.

8.2.4 A report on progress made against the Council Delivery Plan was taken to Overview and Scrutiny on 6 September 2022. Members commented on the report content and requested that project milestones be included in subsequent reports and this request has been actioned. The report was subsequently taken to Cabinet. As per the new

Performance Management Framework, this ensures that Cabinet have oversight of both risk and performance.

8.2.5 New and archived risks for the half year are included as Appendices B and C. Archived risks are risks which have been managed down to business as usual, as per the RMF, or have been replaced by more relevant risks. 28 New Risks were set up for the Council Delivery Plan, replacing many out-of-date risks on Pentana. Since the CDP was set up, further new Risks have been introduced, which reflect the current projects and or potential threats to service delivery, such as the Resourcing Risk, which is not linked to any one project in the CDP but remains an over -arching risk to the delivery of all Council projects.

8.3 **Review of the Risk Management Framework**

8.3.1 At the RMG meeting in November, the group reviewed the proposed changes to the Risk Management Framework, included as Appendix D. This is a light touch update with relatively minor changes, such as changes to names and reporting lines, which have also been reflected in the updated terms of reference for Risk Management Group. The Risk Management Strategy provides tools to keep the Risk descriptions succinct, rather than setting out a mandated approach. Even if target risk scores are reached, if the risk is still assessed to be at an unacceptable level, further mitigating actions should be considered.
The Group were happy with the amendments, apart from suggesting a couple of formatting changes which have been implemented.

8.4 **Business Continuity**
This year the Resilience Team have been focused on a full review of business continuity arrangements.
The Business Impact Analysis (BIA) process allows NHC to have a clear picture of all the functions it delivers and identifies those critical areas that must be prioritised in the event of any business disruption.

All services agreed as critical following the 'BIA 1' analysis, and approved by Leadership Team, were required to complete a 'BIA 2'. The purpose of this form is to identify the most appropriate way of controlling the risks, looking at the maximum amount of time that the function could remain undelivered without leading to significant consequences, resource requirements, and any control measures that are in place. Once finalised, each critical service will be provided with a Service Continuity Plan template for completion.

Work has also been underway in response to the risk of power outages, examining the power back-up generator capability for the DCO. Reception centres were also examined and, although these would not have back up power, there is resilience in the varied locations of our main sites around the district. Mutual aid arrangements across Hertfordshire are also in place for emergencies.

It has been suggested that a planned power shut down test should be considered for Careline to identify any problems in advance of an actual outage.

8.5 Developing Capacity and Skills

The Performance and Risk Officer has always worked closely with Officers giving advice and guidance when each risk review is completed, but there is more work to undertake in this area to ensure Officer and Member skills are developed.

In 2021 an E-Learning module for Risk Management was set up on Grow Zone for completion by Officers. As at 31/10/2022 102 officers had completed the learning. Now that the Risk and Performance Frameworks have been embedded, the team are inviting suggestions from Officers and Members on the type of Risk Management training they would like to see going forward.

9. LEGAL IMPLICATIONS

9.1. Finance Audit and Risk Committee's Terms of Reference include "to monitor the effective development and operation of risk management and corporate governance, agree actions (where appropriate) and make recommendations to Cabinet" (Constitution 10.1.5 (u)).

10. FINANCIAL IMPLICATIONS

10.1 There are no direct financial implications arising from this report. However, it should be noted that there are issues linked to the Resourcing risk (e.g., Cost of Living and inflation) that will affect the Council's financial situation.

11. RISK IMPLICATIONS

11.1. The Risk and Opportunities Management Strategy requires the Finance Audit and Risk Committee to consider regular reports on the Councils Corporate Risks. Failure to provide the Committee with regular updates would conflict with the agreed Strategy and would mean that this Committee could not provide assurance to Cabinet that the Councils identified Corporate Risks are being managed.

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. Reporting on the management of risk provides a means to monitor whether the Council are meeting the stated outcomes of the district priorities, its targets or delivering accessible and appropriate services to the community to meet different people's needs. The risks of NHDC failing in its Public Sector Equality Duty are recorded on the Risk Register. The Councils risk management approach is holistic, taking account of commercial and physical risks. It should also consider the risk of not delivering a service in an equitable, accessible manner, and especially to its most vulnerable residents, such as those who are homeless.

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

15.1.1 The proposed Resourcing risk highlights the potential impact on staff of taking on new tasks.

16. APPENDICES

16.1. Appendix A –Corporate Risks
Appendix B – Archived Corporate Risks
Appendix C – New Corporate risks
Appendix D – Risk Management Framework documents

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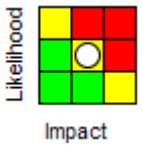
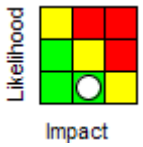
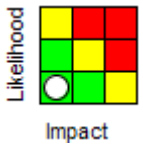
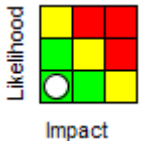
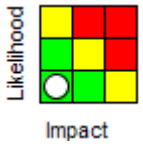
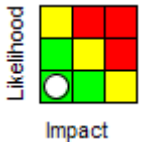
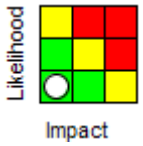
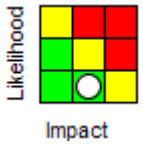
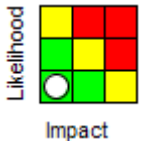
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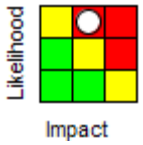
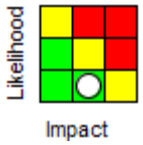
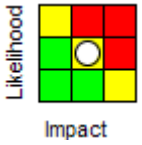
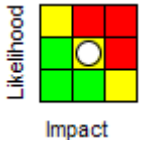
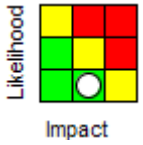
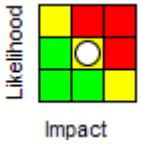
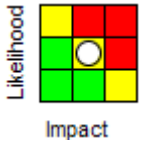
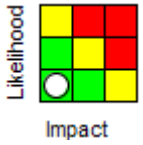
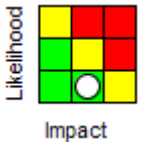
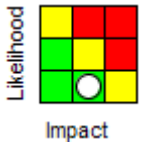
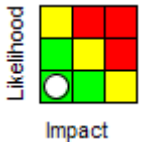
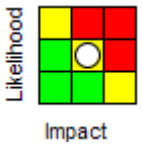
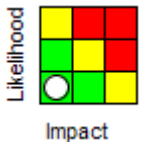
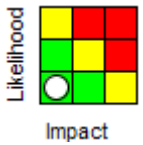
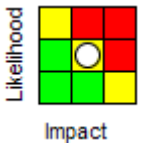
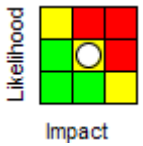
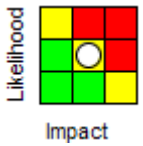
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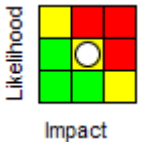
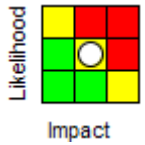
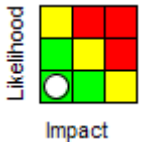
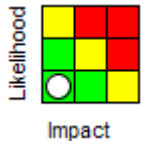
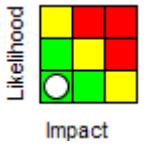
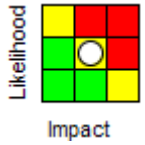
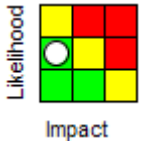
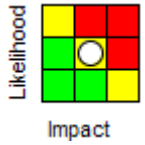
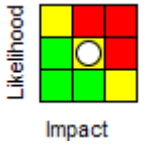
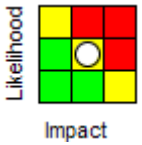
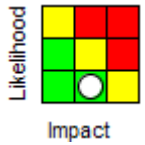
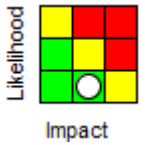
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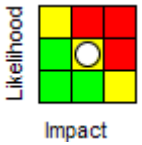
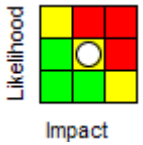
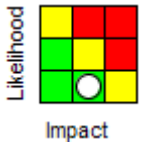
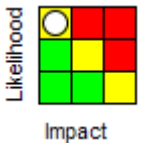
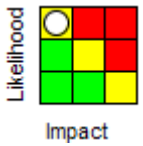
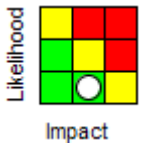
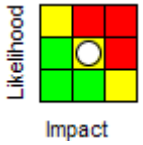
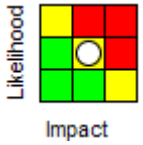
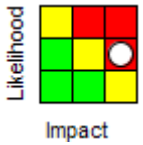
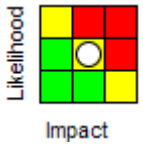
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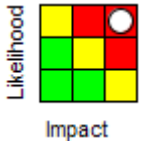
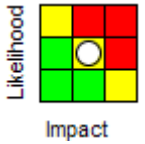
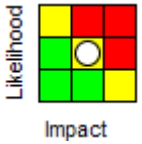
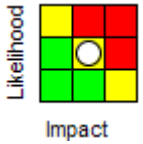
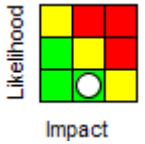
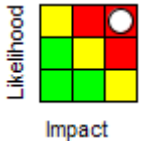
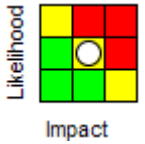
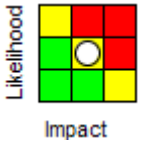
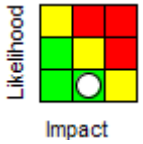
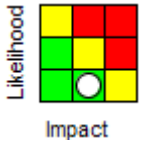
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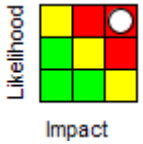
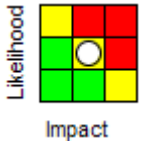
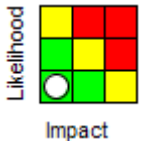
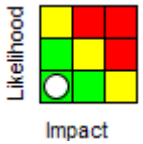
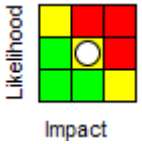
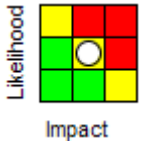
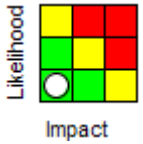
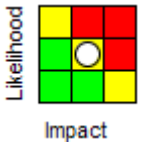
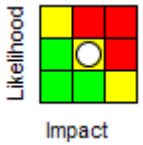
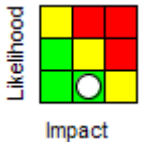
Risk Title	Risk Description	First Assessed	Original Assessment	Current Assessment	Target Assessment	Controls/Mitigating Actions
Museum/HTH Recovery	1. All related milestones carry the risk of new emerging variants or a worsening Covid picture; separately, the booking of Hitchin Town Hall and income levels 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.	01-Apr-2022				- Increased use of advertising and new website (implemented and ongoing).
Tourism Strategy	1. Risk of delay in procuring consultants and subsequent delay to production of strategy.	01-Apr-2022				- Ensure specification for procurement is sufficiently robust and written in a timely manner (Due date to be confirmed). - Regular meetings to be set up with consultants (Due date to be confirmed).
Business Recovery: Grants	1. Lack of resources available to deliver grant schemes.	01-Apr-2022				
Town Centre Recovery	1. Resourcing the project – limited budget available. 2. Town Strategy not yet in place.	01-Apr-2022				- Look for external grants. - Planning applications to be taken through master planning route.

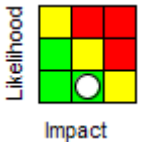
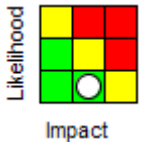
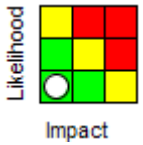
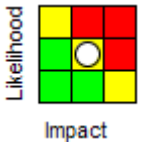
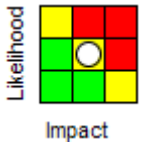
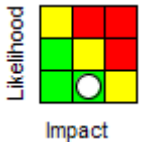
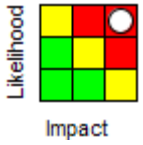
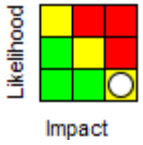
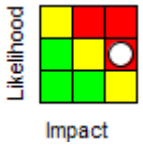
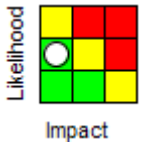
Risk Title	Risk Description	First Assessed	Original Assessment	Current Assessment	Target Assessment	Controls/Mitigating Actions
Health Inequalities	1. Inability to achieve funding. 2. Delays in achieving funding affects delivery of outcomes. 3. Terms of any funding affects what can be delivered. 4. Staff shortages/competing priorities limit progress.	01-Apr-2022				- Apply for funding and then determine what is deliverable. - Recruitment campaigns to fill vacant posts.
Economic Development Strategy	1. Uncertainty over focus of the strategy. 2. Determination of level of priority and the funding to be allocated from 2023/24.	01-Apr-2022				- Develop strategy options and then seek a steer on desired focus. - Secure resource beyond 2022/23 to deliver any strategy.
Resident/Public EV Charging in our Car Parks	1. Not successful in obtaining grant funding. 2. Unable to identify/procure a private sector partner.	01-Apr-2022				- Look at alternative methods of delivery e.g., offer land with no Council involvement (should the initial procurement of a private sector partner prove unsuccessful).
Cycling Network	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.	01-Apr-2022				- Regular communication with HCC (ongoing).
EV Charging for Council Vehicles	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.)	01-Apr-2022				
Royston Leisure Centre Solar Thermal	1. Tender returns over budget. 2. Delays to project plan.	01-Apr-2022				- Working with consultant on the procurement exercise. - Regular project meetings to be held with contractor (ongoing throughout project).

Risk Title	Risk Description	First Assessed	Original Assessment	Current Assessment	Target Assessment	Controls/Mitigating Actions
Town Centre Strategies	1. Lack of available resource to produce and deliver identified strategies.	01-Apr-2022				- Ensure resource is available to deliver strategies (currently appointing to new Project Officer post). - Look for external funding. - Take applications through master planning process.
Finalise Pay on Exit Parking Review	1. Budget implications of selected scheme.	01-Apr-2022				1. Produce detailed business case and go through approval process. 2. Retain/replace existing machines and software.
Replacement of Royston Town Hall Annexe	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.	01-Apr-2022				- Exploring options following unsolicited solid interest in site (30 November 2022). - Proactive and frequent discussion with key site stakeholders. - Engage reputable local and national agents to garner wide audience for marketing and generate maximum interest. - Frequent communication with Town and NHC Ward Councillors. - Consider adopting modern methods of construction.
Customer Portal	1. Additional modules are not forthcoming.	01-Apr-2022				- Utilise suppliers experience with other Councils (in progress and ongoing). - Discussions with service areas to investigate options. - Progress implementation of Waste into MyAccount (dependent on decisions relating to the new waste contract).
Help Residents Make Payments at Convenient Locations	1. Resourcing issues delay progress. 2. Unexpected costs affect viability of business case. 3. Residents fail to use the service provided.	01-Apr-2022				- Ongoing communication with residents.

Risk Title	Risk Description	First Assessed	Original Assessment	Current Assessment	Target Assessment	Controls/Mitigating Actions
Supplier Self-Service	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.	01-Apr-2022				- Carry out data impact assessment (January 2023). - Set up regular project meetings to advance project (February 2023). - Communication plan to make suppliers aware of benefits (April 2023).
Empty Homes Strategy	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.	01-Apr-2022				- Funding bids for additional resource to be part of 2023/24 budget process (linked to general improvement of housing). - Strategy considered by Executive Member and Deputy in September 2022, with outcomes and delivery linked directly to the resources available. - Audit of current empty homes being undertaken by Revenues, initially online until the end of September 2022.
New Ways of Delivering Housing on Council Land	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.	01-Apr-2022				- Work closely with the Finance team and selected supplier to try to develop a viable project; factor in borrowing costs. - Work closely with relevant service areas and selected supplier to ensure the proposed developments are in line with expectations. - Work with the Procurement and Legal team to run a successful tender that will allow us to work with the right supplier. - Align relevant policies and company values when selecting supplier.
Increased Homelessness	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 are required for some clients/families.	01-Apr-2022				- Increase the provision of specialist supported accommodation for homeless single people. - Pursue opportunities for government grant funding to facilitate new sites and specialist support services. - Review opportunities to increase the number of temporary accommodation units for homeless families.

Risk Title	Risk Description	First Assessed	Original Assessment	Current Assessment	Target Assessment	Controls/Mitigating Actions
Local Plan Implementation	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.	01-Apr-2022				- Ongoing advice sought from PAS, Counsel and DLUC. - Regular Project Board meetings. - Ongoing recruitment to vacant Planning Officer posts.
Master Planning	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.	01-Apr-2022				- Inspector's report recommending modifications. - Adoption of Local Plan by Full Council. - Secure funding for resources through Planning Performance Agreements.
Financial Sustainability/Balancing our Budget	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.	01-Apr-2022				- Revise funding projections as a result of formula changes and insight of future direction. - MTFS sets out a strategy for addressing funding gaps, including how difficult service funding decisions will need to be made (30 September 2022). - Regular budget monitoring to highlight any issues, including extent and speed of COVID recovery, and impact of inflation (31 March 2023).
Full Review of Council Tax Reduction Scheme	1. Lack of resources and specific skills to deliver. 2. Impact on the project of consultation outcomes.	01-Apr-2022				

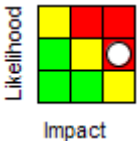
Risk Title	Risk Description	First Assessed	Original Assessment	Current Assessment	Target Assessment	Controls/Mitigating Actions
Response to Government Resources and Waste Strategy	1. Delays in confirmation of government strategy or legislation. 2. Protracted decision making. 3. Lack of interest from 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.	01-Apr-2022				- Development of plans and service design based on most likely outcomes, best practice, and financial sustainability. - Regular cross party Member engagement. - Early negotiations with Urbaser and parallel soft market testing.
Green Space Management Strategy	1. Tenders received are not within budget.	01-Apr-2022				
Charnwood House	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.	01-Apr-2022				- Proactive and frequent discussion of community hub proposals with covenant beneficiary and local interest groups. - Public communication (possibly including further open days) to market research intricacies of demand for community hub. - Selection of architect with verifiable Listed Building experience. - Review ACV legislation and timelines.
Museum Storage	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).	01-Apr-2022				- Approval for the project, along with progress in line with potential grant bid submissions. - Ensuring preliminary reports and surveys are carried out and that the main developer is accepting of certain risks. - Scrutinising Business Plans and consultants reports and ensuring all reasonable due diligence around forecasting and modelling has been carried out.

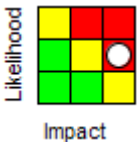
Risk Title	Risk Description	First Assessed	Original Assessment	Current Assessment	Target Assessment	Controls/Mitigating Actions
Local Government Boundary Review	1. Failure to meet set deadlines. 2. Failure to agree NHC consultation submission.	01-Apr-2022				- Continued use of AEA consultant; ensuring that sufficient information and responses to consultation provided to LGBCE (ongoing). - Continuing use and oversight via Project Board (meetings scheduled for second consultation phase).
Shared Prosperity Fund	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.	15-Aug-2022				1. As the general "Resourcing" risk, a need to prioritise and drop the delivery of lower priority projects. 2. Undertake preparation work where no/minimal cost impact. Respond promptly to requests from Government to get plan approved asap. 3. Use admin element of the grant to buy-in support for monitoring and returns. 4. Investigate the availability of required kit/materials and source at the earliest opportunity.
Churchgate	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.	17-Aug-2022				1. Controls: - Communications and consultation plan in place, which is kept updated. - Decisions explained, including that there will need to be compromises. 2. Controls: - Financial and consultancy support (as needed) is in place. - Cost effectiveness/value for money is a key part of developing options.
Resourcing	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.	29-Apr-2022				Risk mitigations: - Consider getting in additional staffing resource (especially where New Burdens funding available). - Signposting to external resources and support. - Process automation.

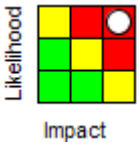
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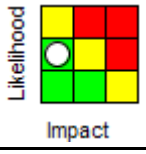
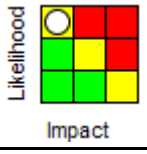
Archived Risks

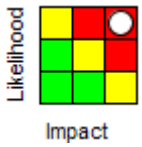
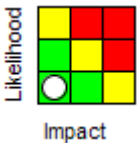
Corporate Risks - 5

Risk Code	CR08	**Year Identified**	2003
Risk Title	Managing the Council's Finances		
Original Matrix		**Final Matrix**	
Latest Note	19-Jul-2022 Risk entry archived, as it has now been superseded by the new "Financial Sustainability/Balancing our Budget" Council Delivery Plan risk entry, which has the reference number CDP22. This was reported as part of the approval process for the revised Performance Management Measures for 2022/23, which align with the Council Delivery Plan (FAR, O&S and Cabinet - March 2022).		

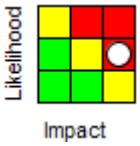
Risk Code	CR54	**Year Identified**	2006
Risk Title	Local Plan		
Original Matrix		**Final Matrix**	
Latest Note	01-Jul-2022 Risk entry archived, as it has now been superseded by the new "Local Plan Implementation" Council Delivery Plan risk entry, which has the reference number CDP20.		

Risk Code	CR60	**Year Identified**	2011
Risk Title	Increased Homelessness		
Original Matrix		**Final Matrix**	
Latest Note	07-Jul-2022 Risk entry archived, as it has been superseded by the new risk entry related to the "Work with Stakeholders to Increase Accommodation for Single Homeless People" Council Delivery Plan project.		

Risk Code	RR585	**Year Identified**	2020
Risk Title	Novel Coronavirus (Covid-19) - Recovery		
Original Matrix		**Final Matrix**	
Latest Note	05-Oct-2022 Lessons learnt exercise commenced, which once complete, will be fed back to the Covid Board. This will then allow the Covid Board to be formally closed (December 2022). As reported to FAR/O&S/Cabinet in March, residual risks now subsumed elsewhere e.g., "Financial Sustainability/Balancing our Budget", "Covid-19 - Leisure Management Contracts". Risk level now assessed as low impact/high likelihood, with any higher impacts covered by other risks. New risk entry created to cover future flu/pandemic risks and the proposal is to archive this Covid		

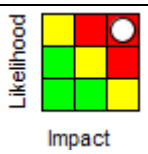
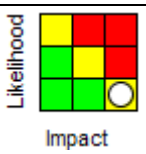
	specific risk entry.		
Risk Code	CR64	**Year Identified**	2018
Risk Title	Brexit (EU Transition)		
Original Matrix		**Final Matrix**	
Latest Notes	21-Apr-2022 In view of the latest update (19 April 2022), the risk entry will now be archived. The risk was originally created in 2018 to highlight and manage the general uncertainty pre-Brexit and in this respect, it has served its purpose. Although some related risks/issues remain, these are no longer solely linked to the EU transition, but linked to other emerging international issues. This approach aligns with the new Council Delivery Plan reporting arrangements, which confirmed that the risk entry will no longer be considered a Corporate Risk. Relevant service areas will consider if associated residual risks should be added to the risk register in their own right, and if this is the case, these will be managed at service level.		
	19-Apr-2022 This was handed over to the Response and Recovery Board last year to manage as part of the business as usual of the Council. In the context of other international issues that have arisen (ongoing covid and war in Ukraine specifically - and associated issues in relation to energy and food),this is not something that can be independently reviewed or managed by the Council.		

New Risks – Council Delivery Plan - 31

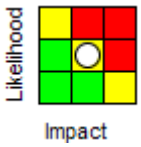
Risk Code	RR578	**Risk Title**	Resourcing
Risk Owner	Ian Couper	**Updated By**	
Year Identified	2022	**Council Objective**	People First
Risk Description	Vital additional actions require resources (e.g., staff and financial) to be redirected to enable them to be provided, which affects the delivery of 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.		
Ongoing Work	Risk mitigations: - Consider getting in additional staffing resource (especially where New Burdens funding available). - Signposting to external resources and support. - Process automation.		
Current Overall Risk Score	8		
Current Impact Score	3	**Current Likelihood Score**	2
Current Risk Matrix		**Target Risk Matrix**	
Date Reviewed	29-Apr-2022	**Next Review Date**	29-Jul-2022

List of Approved Council Delivery Plan Risks

Code	Title	Current Score	Target Score
CDP01	Museum/HTH Recovery	5	1
CDP02	Tourism Strategy	1	1
CDP03	Business Recovery: Grants	1	1
CDP04	Town Centre Recovery	3	1
CDP05	Health Inequalities	7	3
CDP06	Economic Development Strategy	5	3
CDP07	Resident/Public EV Charging in our Car Parks	5	1
CDP08	Cycling Network	3	1
CDP09	EV Charging for Council Vehicles	5	1
CDP10	Royston Leisure Centre Solar Thermal	5	5
CDP11	Town Centre Strategies	5	1
CDP12	Finalise Pay on Exit Parking Review	1	1
CDP13	Replacement of Royston Town Hall Annexe	5	2
CDP14	Customer Portal	5	5
CDP15	Help Residents Make Payments at Convenient Locations	5	3
CDP16	Supplier Self-Service	5	3
CDP17	Empty Homes Strategy	4	3
CDP18	New Ways of Delivering Housing on Council Land	5	5
CDP19	Work with Stakeholders to Increase Accommodation for Single Homeless People	8	5
CDP20	Local Plan Implementation	9	5
CDP21	Master Planning	5	3
CDP22	Financial Sustainability/Balancing our Budget	9	5
CDP23	Full Review of Council Tax Reduction Scheme	5	3
CDP24	Response to Government Resources and Waste Strategy	9	5
CDP25	Green Space Management Strategy	1	1
CDP26	Charnwood House	5	1
CDP27	Museum Storage	5	3
CDP28	Local Government Boundary Review	3	1

Risk Title	Churchgate	**Directorate**	Enterprise
Risk Description	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.		
Current Risk Level		**Target Risk Level**	
Date Reviewed	17-Aug-2022	**Next Review Date**	17-Nov-2022

Mitigating Actions Completed	
Ongoing Controls / Mitigations	1. Controls: - Communications and consultation plan in place, which is kept updated. - Decisions explained, including that there will need to be compromises. 2. Controls: - Financial and consultancy support (as needed) is in place. - Cost effectiveness/value for money is a key part of developing options.
Notes	

Risk Title	Shared Prosperity Fund	**Directorate**	Resources
Risk Description	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.		
Current Risk Level		**Target Risk Level**	
Date Reviewed	15-Aug-2022	**Next Review Date**	15-Feb-2023
Mitigating Actions Completed			
Ongoing Controls / Mitigations	1. As the general "Resourcing" risk, a need to prioritise and drop the delivery of lower priority projects. 2. Undertake preparation work where no/minimal cost impact. Respond promptly to requests from Government to get plan approved asap. 3. Use admin element of the grant to buy-in support for monitoring and returns. 4. Investigate the availability of required kit/materials and source at the earliest opportunity.		
Notes			

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RISK MANAGEMENT FRAMEWORK – PART 2 – POLICY (What you must do)

This policy applies to:	
Members	Yes
Officers	Yes
Managers	Yes

Officers / Managers - You Must:

- Consider Risk Management as an integral part of your job;
- Read and follow the guidelines in the Risk Management Framework documents;
- Identify and record any threats relating to service delivery in your own area.

Risk Owners – You Must:

- Record new Risks on Pentana Risk;
- Review existing Risks in line with the Framework requirements;
- Ensure actions are updated and completed;
- Ensure Risks are proposed for archiving/deletion when no longer required;
- Update Business Continuity Plans where relevant.

Members – You Must:

- Support and promote an effective Risk Management culture;
- Constructively review and scrutinise the Risks involved in delivering the Council's objectives;
- Ensure the Risk Management objectives are aligned with the objectives and strategies of the Council.

Policy author and further advice from: Rachel Cooper, Controls, Risk and Performance Manager.

Contents:

1. Definitions
2. Purpose of Policy
3. Identification and Assessment of Risk
4. Monitoring and Reviewing Risks
5. Promotion and Scrutiny of the Risk Management Process
6. Linked Policies and Procedures
7. Communication and Training

1. Definitions

Risk - Something that may have an impact on the achievement of our objectives. This could be an opportunity as well as a threat.

Risk Management - The "systematic application of principles, approach and processes to the identification, assessment and monitoring of Risks."
Risk Owner – Responsible Officer to whom a Risk is assigned. Provides assurance that the Risks for which they are the Risk Owner are being effectively managed, allocating appropriate resources and importance to the process, confirming the existence and effectiveness of existing actions and ensuring further actions are implemented.

2. Purpose of Policy

2.1 Good Risk Management supports and enhances the decision making process, increasing the likelihood of the Council meeting its objectives and enabling it to respond quickly to new pressures and opportunities. Managers need to consider Risk Management as an integral part of their job and the Leadership Team (LT) and Cabinet must keep the Corporate Risks faced by North Herts Council under regular strategic review.

2.2 Part 1 of the Risk Management Framework (the Framework) – the Policy Statement, sets out the seven principles underpinning how we will undertake Risk Management at North Herts Council.

2.3 Part 2 – the Policy, aims to ensure that Risk Management is undertaken in a consistent and effective manner through the Council, with Risks that are well documented, reported and understood. It highlights responsibilities and roles within the process.

2.4 North Herts Council is committed to the proactive identification and management of key external and internal Risks, which may affect the delivery of our objectives. This will allow us to be a Risk aware Council, who understands that Risks may increase as services evolve and we undertake more commercial activities. The Framework is designed to ensure consistent management of Risk and provides more detailed guidance for users. The Framework will be regularly updated to ensure we are in line with regulatory and best practice requirements.

3. Identification and Assessment of Risk

3.1 It is the responsibility of all Managers and Officers to identify and document key Risks within their service areas, which may affect the achievement of the Council's objectives. This should be done as part of the Service Planning process and updates to the Council Delivery Plan, but also continuously throughout the year.

3.2 When risks have been identified, they must be recorded and assessed using the Council's Risk Management software, Pentana Risk.

3.3 All Risks should be assessed in line with the requirements of the Framework, assigning an initial Risk Score, and taking into account any existing controls which may be in place.

3.4 Each Risk must be assigned to a Risk Owner, who takes responsibility for the risk. This should be someone who has the authority to ensure that required actions are carried out.

3.5 A set of mitigating controls or actions must be identified, with timescales for completion. All actions should be SMART (specific, measurable, achievable, realistic and timely). The Risk should be assessed for a second time, taking the effect of the actions into account. This will become the Target Risk Score and will form the basis of the ongoing Risk monitoring. If the Target Risk Score is still unacceptable then it will be necessary to consider further mitigation actions.

3.6 Whilst assessing and managing the Risk, Officers should also consider and act on any opportunities which may present themselves. Further guidance on how to consider opportunities is provided within the Framework Part 4 - Toolkit.

3.7 Officers must ensure that the Business Continuity Plan for the Service area is updated with any new Risks, including how they can be mitigated to allow any key functions to continue operating.

4. Monitoring and Reviewing Risks

4.1 Once identified and recorded, Risks must be proactively managed by the Risk Owner. It is important that the Risk Register is dynamic – new Risks added as they arise and Risks removed when they have been managed down to an appropriate level. It is the Council's Policy to focus its resources on monitoring Risks which, because of their likelihood or impact, make them priorities. These are the Risks which score 4 or above on the Risk Matrix.

4.2 Risk Owners must review their Risks in line with the requirements of the Framework. Reminders will be issued automatically from Pentana Risk when reviews of risks are due.

4.3 Actions must be updated once completed, and the Risk assessed to see whether the Target Risk Score has been achieved. Further actions should be added if required.

4.4 When deemed appropriate, the Risk Owner should propose the archiving of any low level Risks scoring 3 or below which are no longer relevant and any Risks which they consider to have been managed down to "Business as Usual". They must also review the Business Continuity Plan for the Service area and update it with any changes which may be required following the archiving/closure of the Risk.

5. Promotion and Scrutiny of the Risk Management Process

5.1 The Leadership Team (LT) and Cabinet will support a culture of well measured Risk taking throughout the Council's business, by embedding Risk Management in our corporate business processes including strategic planning, corporate business planning, policy making and review, performance management and key partnerships.

5.2 All Managers and Members must consider Risk as an integral part of business planning, service delivery, key decision making processes, and project and partnership governance.

5.3 Business Continuity Plans must be maintained for each service area, identifying the key functions in a service, what the Risks are and how they can be mitigated to allow key functions to continue.

5.4 All Committee reports must contain a Risk Implications section, summarising the Risks the decision maker has to consider.

5.5 Members must constructively review and scrutinise the Risks to ensure they have been adequately considered, to enable delivery of the Councils objectives.

5.6 All new and proposed archiving/closure of Operational Risks, must be reviewed by the Risk and Performance Management Group (RPMG) and LT prior to the changes to Pentana Risk being accepted.

5.7 Any changes to Corporate Risks and the Risk Management Framework must be reviewed by RPMG, LT and Finance, Audit and Risk Committee (FARC) before being approved by Cabinet. Changes to Operational Risks should be discussed with the relevant Service Director.

5.8 Members of RPMG and FARC are responsible for ensuring the Risk Management process is aligned to the Council's objectives, challenging the process where appropriate and making recommendations to Cabinet.

6. Linked Policies and Procedures

6.1 Everyone is required to adhere to all Council policies, procedures and processes. The Risk Management Framework consists of four documents and all Officers, Managers and Members should ensure they have a good understanding of their Risk responsibilities.

Risk Management Framework – Part 1 – Policy Statement (The Key Principles)
Risk Management Framework – Part 2 – Policy (What you must do)
Risk Management Framework – Part 3 – Strategy (How we will do it)
Risk Management Framework – Part 4 – Toolkit (Operational guidance)

7. Communication and Training

7.1 The Council is committed to making training available to everyone. We will increase understanding and expertise in Risk Management through targeted training and the sharing of good practice and lessons learned. Training is available via e-learning on the Growzone, with further training available from the Controls, Risk and Performance Team on request. Some of this training may be deemed to be mandatory. Managers should identify and arrange any training that their staff require. All Officers should also request training on any areas that they are uncertain about.

7.2 A Toolkit is provided as part of the Risk Management Framework, which provides practical guidance on the use of Pentana Risk and all the associated tasks to be undertaken.

Risk Management E – Learning is available on Growzone at the link below.
https://northhertfordshire.learningpool.com/course/index.php?categoryid=22

Risk Management page on the Intranet
https://intranet.north-herts.gov.uk/home/doing-business/performance-and-risk-management/risk-management

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NORTH HERTS COUNCIL

RISK MANAGEMENT FRAMEWORK

PART 3 – STRATEGY (How we will do it)

North Herts Risk Management Framework is outlined within four key documents.

Part 1 – Risk Management Policy Statement sets out the Council's commitment to the proactive management of external and internal risks within seven key principles. In order to ensure we can meet those principles, a number of objectives have to be achieved.

1. Maintenance of a robust and consistent Risk Management approach.
2. Considering any Opportunities which may present themselves whilst managing Risks.
3. Ensuring accountability and roles and responsibility for managing Risks are clearly defined and communicated.
4. Considering Risk as an integral part of business planning, service delivery, key decision making and project and partnership governance.
5. Communicating Risk information effectively through a clear reporting framework.
6. Increasing understanding and expertise in Risk Management through targeted training and the sharing of good practice.

Part 3 - The Strategy provides more detail on how the Council intends to ensure these objectives are met.

1 – Maintenance of a robust and consistent Risk Management approach

The objectives of the Risk Management Approach are to meet the seven principles outlined in Part 1 – Policy Statement:

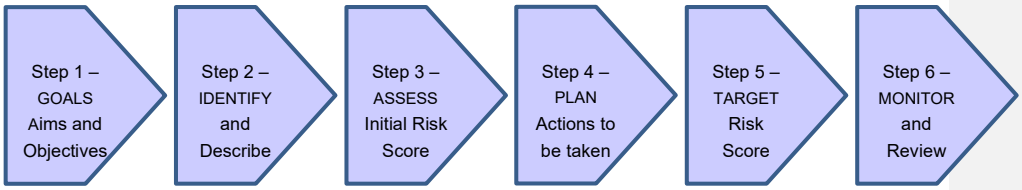
- We will support a culture of well measured risk taking throughout the Council's business.
- We will not avoid risk but will identify and document key risks in all areas of our business, understand them and seek to proactively manage them. In managing risks, opportunities may present themselves. These will always be considered and acted on where appropriate.
- We will assess each risk, identifying existing controls and identify if further actions are required to reduce the risk. Where a risk is at a low level or has been managed down to a low level, then the risk will fall into business as usual and the risk entry will be archived. This allows actions and monitoring to be focused on higher risk levels.
- We acknowledge that even with good risk management, things will sometimes go wrong. Where this happens, we will use lessons learned to try to prevent it from happening again. We will have Business Continuity Plans in place for each of our service areas, which identify the key functions, what the risks are and how they can be mitigated to allow them to continue operating.

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- We will develop capacity and skills in identifying, understanding and managing the risks facing the Council.
- We will challenge the Risk Management Process through the use of the Risk Management Group and the Finance, Audit and Risk Committee.
- We will regularly review the Risk Management Framework and update in line with statutory and best practice requirements.

Good risk management supports and enhances the decision making process, increasing the likelihood of the Council meeting its objectives and enabling it to respond quickly to new pressures and opportunities. Managers need to consider risk management as an integral part of their job and the Leadership Team and Cabinet must keep the Corporate Risks faced by ~~NHDC~~ the Council under regular strategic review.

The following six steps are used by the Council in managing its risks:



Step 1 – Identify Council Aims and Objectives

Before we can start to identify risks, we will establish context by looking at **what we are trying to achieve** and what our proposed outcomes are. These objectives will usually be detailed in existing documents, such as

- The Council Plan
- The Council Delivery Plan
- Service Plans
- Project Initiation Documents
- Partnership Agreements

~~As part of the Service Planning process, Service Directors are asked to complete a Risk Questionnaire, detailing the top 5 risks which would prevent them from achieving the Service action plans, linked to the Council Priorities. They are also asked to list the controls we will need to put in place to mitigate these risks.~~

Step 2 – Identify and Describe the Risk –What stops us from achieving objectives?

There are many different types of risks that we should consider. There are some examples in the table below. It is not necessary to detail all relevant risks, but~~,~~ the main ones should be ~~selected~~considered.

Type of Risk	Example
Strategic	- Delivery of the key objectives of the Council - New political arrangements - Changes to Government policy
Operational	- Delivery and efficiency of services, specifically around day-to-day work - New initiatives, ways of working and relationships with partners - Monitoring arrangements - Levels of service usage - Day-to-day management of buildings
Information	- Accuracy of data, systems or reported information - Appropriate transfer and sharing of data - Security of data and systems - Management and control of knowledge resources, e.g. the retirement of a key member of staff
Reputation	- The Council's brand or image - Customer experience - Negative publicity - Levels of complaints - Levels of public confidence and participation
Financial	- Acceptance of liabilities - Levels of funding - Levels of income - Losses by fraud / corruption - Adequacy of insurance cover - Availability of funds to deliver services / projects
People	- Employees, e.g. recruitment and managing change - Management, e.g. communication / consultation and business continuity / emergency planning arrangements - The public, stakeholders and partners, e.g. changing needs / expectations, inequalities and safeguarding - Delivery of services to minority and disadvantaged groups
Regulatory	- Adherence to regulatory environments and compliance regimes - Legislation, e.g. Health & Safety at Work Act, Data Protection, FOI, Human Rights, Equalities Act 2010, Public Sector Equality Duty 2011, Employment Law, TUPE etc. - Grant funding conditions
Environment	- Recycling, Green Issues - Impact of planning policies - Climate Change - Management of Open Spaces

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~~Describing the risk is vital for ensuring that risks are fully understood. The~~It may help to consider the **cause and effect** of each risk. For example, by using the following: ~~must be detailed. To ensure consistency, the terminology below is used.~~

Description of Risk	Cause –why?	Effect – what will happen?
Risk of … Failure to … Lack of … Loss of … Uncertainty of … Delay in … Inability to … Inadequate …Opportunity to … Damage to …	… due to … because ...	… leads to … results in …

Step 3 – Assess Initial level of Risk when identified – How significant is it?

The Council assesses each risk in terms of its potential likelihood and impact, enabling actions to be prioritised. **We will actively monitor risks scoring 4 or higher on the Risk Scoring Matrix.**
Each risk should be assessed twice, to set both Initial and then Target risk levels.
The first assessment – the initial risk score - is taken on the "as is" basis–what is the risk if we do nothing further and just maintain any existing controls (the score should reflect whether these are currently operating effectively or not).
To ensure consistency, risks are assessed using a standard Risk Scoring Matrix, Likelihood (1-3) and Impact (1-3).
The matrix uses a "traffic light" approach to show high (red), medium (amber) and low (green) risks.

RISK MATRIX

LIKELIHOOD			
3	4	7	9
2	2	5	8
1	1	3	6
	1	2	3

IMPACT

Likelihood	
1. Low	Less than 20% likelihood
2. Medium	Between 20% and 60% likelihood
3. High	Greater than 60% likelihood
Impact	
1. Low	Consequences will be minor and associated losses will be small
2. Medium	Will have a noticeable effect on the Council
3. High	Can have a significant impact on the Council

4 Likelihood High (3) Impact Low (1) **Chance of it happening -More than 60%** **Consequences - Minor**	**7 Likelihood High (3) Impact Medium (2)** **Chance of it happening - More than 60%** **Consequences - Noticeable effect on the Council**	**9 Likelihood High (3) Impact High (3)** **Chance of it happening - More than 60%** **Consequences - Significant impact on the Council**
2 Likelihood Medium (2) Impact Low (1) **Chance of it happening – between 20 – 60%** **Consequences - Minor**	**5 Likelihood Medium (2) Impact Medium (2)** **Chance of it happening – between 20 – 60%** **Consequences – Noticeable effect on the Council**	**8 Likelihood Medium (2) Impact High (3)** **Chance of it happening – between 20 – 60%** **Consequences – Significant impact on the Council**
1 Likelihood Low (1) Impact Low (1) **Chance of it happening – less than 20%** **Consequences - Minor**	**3 Likelihood Low (1) Impact Medium (2)** **Chance of it happening – less than 20%** **Consequences – Noticeable effect on the Council**	**6 Likelihood Low (1) Impact High (3)** **Chance of it happening – less than 20%** **Consequences – Significant impact on the Council**

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Step 4 – Plan actions required to reduce the Likelihood or Impact of a Risk – what can we do about it?

Not all risks can be eliminated, but they can be reduced and/or plans can be put in place to deal with the effects. The following five general approaches are used by the Council when determining relevant actions to be taken.

Transfer	Use of insurance (to transfer the financial cost), or by contracting out services (this transfers some but not all of the risks and may create different ones).
Tolerate	It may not be practical or cost effective to take effective action against some risks. In this instance, the risk should be monitored to ensure the likelihood or impact does not change.
Treat	**Most risks will be in this category.** This involves putting in place a series of mitigation actions, bringing the risk score to an acceptable level. It includes contingency planning, describing what action will need to be taken if a risk is realised.
Terminate	Quick and decisive action to eliminate a risk altogether, which would usually be linked to stopping doing the activity completely. It is unlikely that the Council will be in a position to terminate the provision of a service.
Taking an Opportunity	In managing risks, opportunities may sometimes present themselves. For example, where the take up of a new chargeable service is unknown, it might be lower than expected (a threat), or it might be higher (an opportunity).

Actions should be **SMART** (specific, measurable, achievable, realistic and timely).

Managers should list existing and additional actions required to manage the risks and set out Contingency Plans to be followed in the event of the threat materialising.
Each action should have a named Officer (the Risk Owner) and a target date for completion. The cost of the planned actions needs to be established and, wherever possible, should not exceed the cost of the risk they are mitigating. Cost may be identified as additional funding requirements or in redeployment of staff resources. Financial costs linked to a risk or opportunity should be included in the Corporate Business Planning process. The costs associated with dealing with any risk should it materialise should be assessed and provision made on the Councils Financial Risk Register, if appropriate.

When looking at risks, we will **also consider opportunities**. Planned actions to mitigate risk should be examined to see whether they open up new possibilities to help us achieve our objectives.

Step 5 – Aim – Set a Target Risk Score – what will the actions achieve?
Once the actions have been identified, the risk will be assessed again, using the same Matrix in Step 3, this time, taking into consideration the effectiveness of the identified actions in Step 4. This becomes the **Target Risk Score** and reflects the position where the risk is deemed to be **managed to an acceptable level**. If the actions in Step 4 do not manage a risk to an acceptable level, then it will be necessary to reconsider what mitigating actions should be carried out.

The Council uses the Target Risk Score to ensure that:

- **Risks are prioritised in terms of their significance;**
- **Actions are relevant and effectively managing and/or reducing the Likelihood or Impact of the risk;**
- **Risks are removed when no further actions are required.**

Step 6 – Monitor and Review Risks
Risk management is an ongoing process and risks will be reviewed regularly to ensure that actions are being completed.

Each Risk Owner is expected to conduct a review of their risks on Pentana Risk in line with the review schedule in Appendix A. These reviews should consider:

- Any new risks which have been identified.
- Whether actions have been completed by their target dates, or revisions required.
- Whether the Target Risk Score has been achieved.
- Whether additional actions are required.
- Whether risks should be proposed for archiving/closure.

Where a risk is assessed at a low level (1, 2 or 3) or has been managed down to a low level, then the risk will fall into business as usual and the risk entry should be proposed for archiving.
Where a risk is no longer relevant the risk should be proposed for archiving.

Any decision to archive/close a risk will be reviewed and agreed by the Risk and Performance Management Group, prior to the change being accepted on Pentana Risk. If the proposed change is not accepted, Pentana will be reinstated with the agreed score.

Regular reporting of Corporate Risks, through Risk and Performance Management Group, Leadership Team (LT), ~~and Finance, Audit and Risk Committee (FARC)~~Overview and Scrutiny (O&S) and Cabinet enables senior managers and Members to be more fully aware of the extent of the risks and progression of recorded actions, along with any proposed archiving/closures.
Risk registers (Operational and Corporate) are maintained on the Council's risk management software Pentana Risk. This enables the Council to monitor and review risks and produce meaningful management reports.

2 – Considering any Opportunities which may present themselves whilst managing Risks

In managing risks, opportunities may present themselves. These will always be considered and acted on where appropriate.

These opportunities may take the following forms:

1. **Absence of Threats** - If the bad thing does not happen, we might be able to take advantage of something good instead. For example, if poor industrial relations do not lead to a strike, we might be able to introduce an incentive scheme and turn the situation round from negative to positive.
2. **Inverse of Threats** - Where a variable exists and there is uncertainty over the eventual outcome, instead of just defining the risk as the downside we will also consider upside potential. For example, where the take up of a new chargeable service is unknown, it might be lower than expected (a threat), or it might be higher (an opportunity).
3. **Secondary Risks** - Sometimes by addressing one risk we can make things worse (the response creates a new threat), but it is also possible for our action to create a new opportunity. Avoiding potential delays to a car journey by taking the train might also allow us to do some useful work during the journey whilst achieving a lower environmental impact.

Opportunities cannot be managed unless they are identified. When looking at risks, we will also ask whether their absence or inverse might present an opportunity. Planned actions to mitigate risk will be examined to see whether they open up new possibilities to help us achieve our objectives.

3 – Ensuring accountability and roles and responsibility for managing Risks are clearly defined and communicated

NHC expects all its officers and councillors to have a level of understanding of how risks and opportunities can affect the performance of the Council, in the achievement of our objectives, and consider the management of risk as part of their everyday activities.

Roles in the Risk Management Process

All Employees	• Manage day-to-day risks and opportunities and report risk management concerns to their line managers. • Identify any new risks relating to their service area. • Undertake risk management e – learning. • Attend training and awareness sessions, as appropriate.
All Members	• Support and promote an effective risk management culture. • Constructively review and scrutinise the risks involved in delivering the Councils objectives.
Cabinet	• Risk manage the Council in delivering its objectives. • Approve the risk management Policy and Strategy. • Consider and challenge the risks involved in making any "key decisions". • Responsible for oversight of Corporate Risks (with ~~SMT~~Leadership Team).
Finance, Audit and Risk Committee (FARC)	• Provide independent assurance to the Council on the overall adequacy of the Risk Management Framework, including review of proposed amendments to the Policy and Strategy prior to its presentation to Cabinet. • ~~Review of changes to Corporate Risks.~~
Overview and Scrutiny Committee (O&S)	• Review of changes to Corporate Risk, and ensure that they are considered in relation to Council performance and the Council Delivery Plan.
Shared Internal Audit Service (SIAS)	• Provide assurance that risks are being effectively assessed and managed. • During all relevant audits, challenge the content of risk registers. • Periodically undertake specific audits of the Council's risk management process and provide an independent objective opinion on its operation and effectiveness.
Leadership Team (LT)	• Champion an effective Council wide risk management culture. • Ensure all reports contain sufficient risk implications. • Ensure Members receive relevant risk information. • Responsible for oversight of Corporate Risks (with Cabinet). • Ensure Risks are considered and are part of updates to the Council Delivery Plan. • ~~Ensure Risk Questionnaires are completed as part of Service Planning process.~~ • Ensure that Business Continuity Plans are in place for each service area.
Service Directors	• Risk manage their Directorates in delivering the Council's core objectives and outcomes and confirm annually they have done this as part of the Annual Governance statement process.

	• ~~Complete Risk Questionnaires in conjunction with Service Action plans.~~ • Update Risks as part of any updates to the Council Delivery Plan. • Constructively review and challenge the risks involved in decision making. • Ensure that appropriate resources and importance are allocated to the process.
Service Director - Resources	• Corporate Champion for Risk Management. • Promotes the adequate and proper consideration of risk management to senior managers and more widely within the Council. • Ensure the Internal Audit work plan is focused on the key risks facing the Council.
Controls, Risk and Performance Team	• Design and facilitate the implementation of a Risk Management Framework within NHC ensuring it meets the needs of the organisation. • Act as a centre of expertise, providing support and guidance as required • Collate risk information and prepare reports, as necessary. • Develop, support and promote the Council's risk management software Pentana Risk and provide Training where required.
Service Managers / Project Managers	• Responsible for the effective leadership and management of risk in their area of responsibility in line with the Council's Risk Management Framework. • Identify, assess and appropriately document significant risks and opportunities. • Clearly identify risk ownership. • Manage risks in line with corporately agreed timescales and policies. • Escalate risks, where appropriate. • Review risks regularly and recommend for archiving where appropriate.
Risk and Performance Management Group	• Maintain the mechanism for risk management to be discussed and disseminated across the Authority. • Review and challenge the content of risk registers. Ensure that Risk is considered alongside Performance. • Provide direction and guidance to ensure that a risk based approach is taken to the development of policies and procedures. • Support the Controls, Risk and Performance Team to implement the Risk Management Framework effectively, including reviews of risk management training. • Review recommendations and amendments to the Risk Management Framework – Policy, Strategy and Toolkit.

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4 – Considering Risk as an integral part of business planning, service delivery, key decision making and project and partnership governance

The Risk Management Strategy is an essential element of strategic planning and sits under the broader umbrella of the Council Plan.

NHDC has a Local Code of Corporate Governance, which includes risk management as one of the seven key principles:

"Managing risks and performance through robust internal control and strong public financial management."

For risk management to be effective and a meaningful management tool, it must be an integral part of key management processes and day-to-day working. The Managing Director and Leader of the Council must satisfy themselves that NHC has effective corporate governance arrangements in place so that they can sign and publish an Annual Governance Statement with the annual accounts. Risks and the monitoring of associated actions are considered as part of the Council's significant business processes, including:

- Corporate Decision Making – significant risks, associated with policy or action to be taken when making key decisions, are included in appropriate committee reports.
- Service /Budget Planning – this annual process includes completion of a Risk Questionnaire and updating the individual business unit risk registers to reflect current aims/outcomes.
- Project Management – all significant projects should formally consider the risks to delivering the project outcomes, before and throughout the project. This includes risks that could have an effect on service delivery, benefits realisation and engagement with key stakeholders (service users, third parties, partners etc.). https://intranet.north-herts.gov.uk/home/doing-business/project-management/nhdc-project-management-framework/project-risks
- Business Continuity – the Council has a duty to maintain plans to ensure that it can continue to function in the event of an emergency including plans for organisations that carry out services on the Council's behalf. The process identifies the key functions in a service, what the risks are and how they can be mitigated to allow key functions to continue operating. https://intranet.north-herts.gov.uk/home/about-nhdc/business-continuity/what-business-continuity
- Partnership Working – partnerships should establish procedures to record and monitor risks and opportunities that may impact the Council and/or the partnership's aims and objectives.
- Procurement – Contract Standing Orders clearly specify that all risks and actions associated with the purchase need to be identified and assessed, kept under review and amended as necessary during the procurement process. https://www.north-herts.gov.uk/home/council-and-democracy/council-constitution
- Contract Management – all significant risks associated with all stages of contract management are identified and kept under review.
- Information Governance – the Information Security Policy sets out practices and procedures to be adopted for good information management. There is also mandatory annual refresher training in Data Protection. The Information Security Policy can be found at: https://intranet.north-herts.gov.uk/home/about-me/hr-policies/information-security-policy

- Insurance – the HCC Insurance team manages NHC's insurable risks and self-insurance arrangements. The Manager presents a regular update to the RPMG.
- Health and Safety – the Council has a specific risk assessment policy to be followed in relation to health and safety risks. Health and Safety updates are taken to each meeting of the RPMG.

Corporate Governance
NHC's approach to risk management has been developed to support the key requirements of good corporate governance:

Openness and Inclusivity - Our approach to managing risks will be open and transparent and blame will not be attributed if decisions made in good faith turn out to be the wrong decisions. Officers, Members, partners, members of the public and outside organisations have access to information on our current risks and opportunities, including how we are managing them. Risk management supports and enhances our decision making process and all committee reports include information on the risks and opportunities in taking or not taking a recommended course of action.

Integrity - The control environment, which includes risk management, supports the integrity of the Council. The risk management framework is key to taking informed decisions and continued service delivery.

Accountability - There is clear accountability for our risks. This includes the risk section in committee reports; an Annual Governance Statement, approved by the Finance, Audit and Risk Committee and included in the Council's Annual Accounts; an annual report to Council on risk management; and the regular internal and external audit inspections of our risks. The Council's key partners and contractors must have their own risk management plans to suit the particular circumstances of their business and their key stakeholders. The Council has major shared objectives with its partners and the principles of our approach to risk will guide how we seek to tackle these objectives in a joined-up way. Wherever practicable, joint risk registers are put in place with key partners/contractors.

So that it can manage and demonstrate how well it has embedded risk management, the Council undertakes a regular review of the implementation of the Strategy across the organisation.

5 – Communicating Risk information effectively through a clear reporting framework

Appropriate and effective reviews and reporting arrangements reinforce and support the risk management processes. They allow sufficient and accurate performance information to be passed to Risk Owners, Senior Managers, the Leadership Team (LT) and Members.

The Risk Register
The Risk Register entries on the Council's risk management software - Pentana Risk, are the basic building blocks in the Strategy. The system generates reminder emails when the Next Review Date is approaching and generates up to date reports on a weekly basis, available for all to view on the system.

A Directorate Overview of Risks is sent to each Service Director on a monthly basis, and taken to each Directorate's Management Team meeting at least once a year by a member of the Controls, Risk and Performance Team. This allows an overview of all risks to be discussed and any new risks to be suggested.

The Risk Management Group reviews all new risks, decisions on not to monitor risks, proposed archiving/closures and any lessons learned when risks are archived (particularly in relation to projects). This includes consideration of the residual risks.

Pentana Risk shows the Original Risk Score, the Target Risk Score and SMART actions with target dates for completion.

The risk matrix is used to plot the risks and to enable Service Directors to prioritise risk management activities that need to be undertaken to mitigate the risks. This risk information feeds into the Corporate Business Planning process.

The Risk Register also provides an understanding on how managing or capitalising on an opportunity can help achieve the objectives.

Corporate Risks
The Corporate Risks facing the Council are those that cut across the delivery of all services, key projects and those that will affect the delivery of the Council's objectives. They are the responsibility of the Leadership Team and Cabinet. Cabinet ensure the Corporate Risks are managed appropriately.

The Corporate Risks are discussed at the Risk Management Group and any significant changes are included in the reports to LT..

After consideration by LT, the Corporate Risks are reported to the Finance, Audit and Risk Committee four times a year.

The Finance, Audit and Risk Committee monitor the effective development and operation of risk management within the Council. It agrees actions put forward by officers, where appropriate, and makes recommendations to Cabinet.

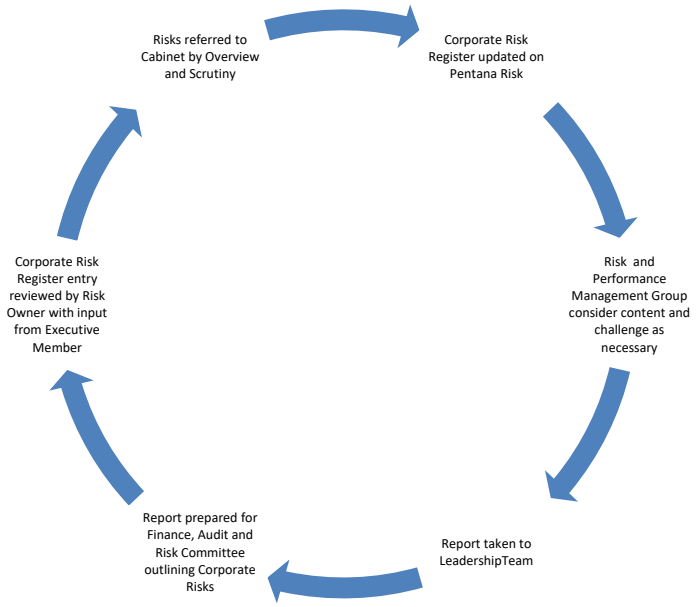
The Finance, Audit and Risk Committee refer any amendments to ~~Corporate Risks and changes to~~ the Risk Management Framework Policy Statement, Policy and Strategy to Cabinet.

The Overview and Scrutiny Committee refer any changes to Corporate Risks to Cabinet, as part of considering updates to the Council Delivery Plan.

Council receives an annual report on Risk Management from the Members Risk Management Champion.

Approved by Cabinet 21.12.21

Diagram representing the review of Corporate Risks



6 – Increasing understanding and expertise in Risk Management through targeted training and the sharing of good practice

Having developed a robust approach and established clear roles and responsibilities and reporting lines, it is important to provide Members and officers with the knowledge and skills necessary to enable them to manage risk effectively.

NHC uses a range of training methods to meet the needs of the organisation but primarily relies on intranet based e-awareness training. The E- Learning Module can be found on the GrowZone at the link below.

https://northhertfordshire.learningpool.com/course/index.php?categoryid=22

Risk management information is also available on the intranet, including templates and further detailed guidance in the Risk Toolkit.

A SIAS representative sits on the Risk and Performance Management Group, along with the HCC Risk and Insurance Manager, who is able to comment on ~~both Herts County Council and Hertsmere~~wider risk management experience. This enables the sharing of good practice with other~~s Hertfordshire authorities~~.

Approved by Cabinet 21.12.21

Appendix A - Review Timetable		
Risk Score 7 – 9 (RED)	There are significant risks, which may have a serious impact on the Council and the achievement of its objectives if not managed. Immediate management action needs to be taken to reduce the level of risk.	As a minimum – Review every 3 Months Individual Actions must be reviewed as they become due.
Risk Score 4 – 6 (AMBER)	Usually accepted, on the basis additional mitigating actions to reduce the likelihood are implemented, if this can be done cost effectively. Reassess to ensure conditions remain the same and existing/new actions are operating effectively.	As a minimum – Review every 6 Months. Individual Actions must be reviewed as they become due.
Risk Score 1 – 3 (GREEN)	These risks are being effectively managed and any further action to reduce the risk would be inefficient in terms of time and resources. Archive on register once agreed by Risk Management Group.	Only review if situation changes

Appendix B – Responsibilities / Oversight			
Task	**Corporate Risks**	**Service Risks**	**Project Risks**
Risks identified by:	~~LMT~~Leadership Team Service Directors	Service Managers	Project Team Key Stakeholders
Risks owned by:	Service Directors	Service Managers	As appropriate
Risks reviewed by:	Service Directors Risk Owners	Service Managers Risk Owners	Project Managers Risk Owners
Risks scrutinised by:	Risk and Performance Management Group ~~LMT~~Leadership Team Overview and Scrutiny Committee Finance Audit and Risk Committee	Service Directors	Project Team
Risk Register (Pentana Risk) updated by:	Risk Owners with support from Performance and Risk Officer if required.		

Approved by Cabinet 21.12.21

Review of Risk Management Framework by:	Service Director - Resources Controls, Risk and Performance Team Risk and Performance Management Group

Approved by Cabinet 21.12.21

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RISK MANAGEMENT FRAMEWORK – PART 1 – POLICY STATEMENT (The Key Principles)

North Herts Council will be a risk aware Council that understands the risks that it is taking on. It appreciates that there are going to be risks in everything it does, but these are increased when undertaking projects, changing the way it delivers services and acting more commercially. It will address the risks it faces by adopting a risk aware culture and having strong risk management processes.

The Council will develop processes that allow it to focus on the significant risks it faces and ensure that undue time is not spent on low level risks and risks that have been effectively managed.

This leads to the following key principles:

Principles

1 - We will support a culture of well measured risk taking throughout the Council's business.

2 - We will not avoid risk, but will identify and document key risks in all areas of our business, understand them and seek to proactively manage them. In managing risks, opportunities may present themselves. These will always be considered and acted on where appropriate.

3 - We will assess each risk, identify existing controls and identify if further actions are required to reduce the risk. Where a risk is at a low level or has been managed down to a low level, then the risk will fall into business as usual and the risk entry will be archived. This allows actions and monitoring to be focused on higher level risks.

4 - We acknowledge that even with good risk management, things will still sometimes go wrong. Where this happens, we will use lessons learned to try to prevent it from happening again. We will have Business Continuity Plans in place for each of our service areas, which identify the key functions, what the risks are and how they can be mitigated to allow them to continue operating.

5 - We will develop capacity and skills in identifying, understanding and managing the risks facing the Council.

6 - We will challenge the Risk Management Process through the use of the Risk and Performance Management Group and the Finance, Audit and Risk Committee.

7 - We will regularly review the Risk Management Framework and update it in line with statutory and best practice requirements.

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CABINET
13 December 2022

PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: DRAFT BUDGET 2023/24

REPORT OF: SERVICE DIRECTOR - RESOURCES

EXECUTIVE MEMBER: EXECUTIVE MEMBER FOR FINANCE AND IT

COUNCIL PRIORITY: Sustainability

1. EXECUTIVE SUMMARY

1.1. Cabinet is asked to consider the latest forecasts in relation to funding, income and expenditure in relation to the revenue budget for 2023/24. It is expected that an addendum report will be provided in relation to the Local Government settlement.

1.2. Cabinet are asked to consider the savings and investment proposals that were presented to the budget workshops, as well as any new savings and investment proposals that have emerged since those workshops. This should consider the feedback from those workshops, as well as taking appropriate measures to meet the net savings target of £200k.

1.3. Cabinet are asked to consider the capital project proposals that were presented to the budget workshops, as well as any other opportunities that have emerged since those workshops. This should consider the feedback from those workshops, as well as considering the forecast revenue impact of capital expenditure.

2. RECOMMENDATIONS

2.1. That Cabinet note the latest funding forecasts for 2023/24 onwards and the significant uncertainty that still remains.

2.2. That Cabinet confirm that it is necessary to increase Council Tax by 3% (the maximum amount now allowed without a local referendum) as this is what will be assumed by Government in determining the Business Rates that the Council can retain.

2.3. That Cabinet confirm that the Council should be part of a Business Rate pool in 2023/24, but delegates to the Service Director: Resources, in consultation with the Executive Member for Finance and IT, authority to withdraw from the pooling arrangement if there are significant changes that would make it likely that the Council would suffer a financial loss from pooling.

2.4. That Cabinet note the comments made at the budget workshops, and comment on the inclusion of the revenue savings and investments in the budget to be brought back for consideration in January, for referral on to Council in February.

2.5. That Cabinet note the comments made at the budget workshops, and comment on the inclusion of the capital investments in the Investment Strategy to be brought back for consideration in January, for referral on to Council in February.

3. REASONS FOR RECOMMENDATIONS

3.1. To ensure that all relevant factors are considered in arriving at a proposed budget, Investment Strategy and Council Tax level for 2023/24, to be considered by Full Council on 23 February 2022.

4. ALTERNATIVE OPTIONS CONSIDERED

4.1. In seeking to address the funding gap detailed in the Council's Medium Term Financial Strategy for 2023-28, Political Groups and Officers have been asked for savings ideas and these are presented in appendix A to this report.

4.2. The proposed investments are a combination of cost pressures to deliver existing services and new spend that is linked to the delivery of priorities identified within the Council Plan.

4.3. The Council is required to set a balanced budget over the medium term.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

5.1. Councillors were given an opportunity to comment on the revenue efficiency, revenue investment and capital proposals at budget workshops. The comments from these workshops are detailed in this report.

5.2. This report is the first draft of the budget and a further report to Cabinet will follow in January. Both reports will also be considered by the Finance, Audit and Risk (FAR) Committee.

5.3. Business Ratepayers will be consulted on the proposals within the January report. This is the only statutory consultation that is required. This consultation will be via the website/ e-mail, as this has worked effectively since it was introduced.

5.4. If any saving proposal is anticipated to have a particular impact on a specific area (or areas) then it would be referred to the relevant Area Committee(s).

6. FORWARD PLAN

6.1. The majority of this report relates to the Council's budget that will be considered by Council at its meeting in February. There are some aspects of the report that contain a recommendation on a key Executive decision and was therefore referred to in the Forward Plan that was first notified to the public on 7th October 2022.

7. BACKGROUND

7.1. The Medium Term Financial Strategy (MTFS), which provides the financial background for the Corporate Business Planning Process, was approved by Full Council in September following recommendation by Cabinet. The budget estimates within the MTFS included a number of assumptions. These have been updated as better information has become available and further updates will be made prior to the presentation of the budget to Cabinet in January. The final budget recommended to Council in February will still contain some assumptions, hence monitoring reports are provided to Cabinet on a quarterly basis.

7.2. The MTFS set target net savings for each of the next 5 years. This is to ensure progress is made towards balancing the Council's budget in each year, with the aim of achieving a fully balanced budget (net expenditure = funding) by 2027/28. In the shorter term the budget will be balanced through the use of reserves. The phasing of the delivery of

savings also ensures that the reserves are not diminished too much and remain above the minimum recommended level. The net savings target for 2023/24 is £200k.

7.3. The Council has applied, along with four other Hertfordshire District and Borough Councils and Hertfordshire County Council, to form a Business Rates Pool for 2023/24. The anticipated benefit, based on forecast rates income, from the pooling of Business Rates is a relative reduction in the business rates levy payable to Central Government next year, referred to as the 'pooling gain', meaning the Council will be able to retain more of the Business Rates income it collects. Should the forecast position change, however, each of the proposed pool members have the option to withdraw from the Pool. The deadline for any withdrawal is 28 days from the announcement of the Local Government Finance settlement. At the time of writing this report it is unknown when the Finance settlement will be announced, but it is likely to be mid-December. It is possible that the settlement announcement will be that no Councils will be allowed to Pool. If pooling is allowed then it is expected that it will be beneficial, so Cabinet are asked to confirm that the Council should be part of the Pool. Recommendation 2.3 provides a delegation to the Service Director: Resources (in consultation with the Executive Member for Finance and IT) in case there is a change that would make it not worthwhile (e.g. too much risk of a pooling loss). As has been the practice for a number of years, a level of pooling gain is not assumed in the budget estimates.

8. RELEVANT CONSIDERATIONS

Council Tax base

8.1. The Medium Term Financial Strategy assumed that the Council's tax base (the number of Band D equivalent properties that pay Council Tax, after deducting those eligible for Council Tax Reduction, other discounts and applying a 99% collection rate) for 2023/24 would increase by 0.5% from the 2022/23 level. The Council's tax base at the end of September 2022 was 1.25% higher than the previous year. It is likely that the building of new properties will further increase the tax base before the start of, and during, 2023/24. But it is also likely that, with the cost of living crisis, eligibility for Council Tax Reduction will increase. Therefore the forecast tax base will be based on a 1.25% increase.

8.2. For the years after 2023/24 it was assumed that the Council Tax base would grow by a net 0.5% per year. This assumed a prudent level of growth in new properties, partly off-set by an allowance for the additional costs of providing services (e.g. waste collection) to those new properties. Whilst the Council has now adopted a Local Plan for the period up to 2031, the prudent assumption of 0.5% will be retained for this budget cycle and will be reviewed as part of next year's Medium Term Financial Strategy.

Autumn Statement

8.3. The most significant announcement from the Chancellor's Autumn Statement was a change to the rules on Council Tax increases without the need for a referendum. Previously this limit has been the higher of £5 (band D equivalent property) or 2%. The announcement in the Autumn Statement was that this will be 3% from 2023/24 for non-Social Care Authorities. At the time of writing this report it is not completely whether this is just for 2023/24, an ongoing change or subject to a different time limit (although some indications that it will be in place for 2 years). As some forecasts are that inflation will return back to around 2% by 2024, the prudent assumption is that it will just be for one year. Whilst the Council can choose to increase Council Tax by less than the limit, it must be noted that the Government are very likely to assume that Councils have increased their Council Tax by the maximum allowed when determining the remainder of their funding (in our case the level of Business Rates that can be retained). Therefore an increase of less than 3% would mean in later years that higher levels of savings would need to be found, and therefore more services would need to be cut or reduced. Cabinet

are recommended to confirm that the draft budget should include an increase in Council Tax by 2.99% for 2023/24. In making this decision, it is worth noting that the District Council element of Council Tax is only around 12% (excluding Parish precepts, based on 2022/23) and that the County Council element (which makes up about 75%) is likely to increase by 5%. Furthermore, the proposed new Council Tax Reduction Scheme (subject to agreement by Council in January) will provide a 100% discount to the poorest households in the District.

8.4. The forecast impact of the increase in Council Tax Base and increasing the Council Tax rate by 3% (both in 203/24 only) is set out in the table below. As set out above it is assumed that Tax rate increases will then revert back to 2% per year, and tax base growth will then be 0.5%. Even though the changes are only in 2023/24 it has an ongoing impact in successive years:

£ millions	2023/24	2024/25	2025/26	2026/27	2027/28
Previous Council Tax income forecast	12.560	12.875	13.197	13.527	13.865
Revised Council Tax income forecast	12.774	13.092	13.419	13.755	14.098
Increase in forecast	0.214	0.217	0.222	0.228	0.233
- Proportion of increase due to change in tax base	0.117	0.118	0.121	0.124	0.127
- Proportion of increase due to Council Tax increasing by 2.99% (rather than 2%)	0.097	0.099	0.101	0.104	0.106

8.5. The Autumn Statement also confirmed that the National Insurance increase (to fund Social Care) will not take place. The Council had received some additional grant funding to cover this. It is assumed that the additional funding will be stopped from 2023/24, so there is no net budgetary impact of that change.

8.6. The Autumn Statement also made announcements in respect of Business Rates. These included reliefs (i.e. reducing the amount to be paid by certain business types compared to normal levels) and freezing of the multiplier (i.e. not applying an inflationary increase to all businesses). These will be fully funded by off-setting grants.

Local Government Settlement

8.7. The date of the draft Local Government Settlement will be week commencing 19th December. We have been told that some information may be provided earlier, and that the Settlement will confirm any elements that will continue in to 2024/25, to give some additional budget planning certainty. In the meantime, the assumptions in the Medium Term Financial Strategy will be used.

Pay and Price Inflation

8.8. Since the Medium Term Financial Strategy, the pay award for 2022/23 has been settled (at £1,925 for each pay-point). Negotiations on the 2023/24 pay award have not commenced yet.

8.9. Overall inflation is still very high, but also still in line with what was envisaged when the Medium Term Financial Strategy was written. So at this time there is no need to amend any of the inflation forecasts. These will be revisited again as part of the January Cabinet report.

General Reserve balances

8.10. The Medium Term Financial Strategy was set based on a General Fund balance at the end of 2022/23 (start of 2023/24) of £9.55million. The Quarter 2 budget monitor estimates that this will now be around £9.8million. This means that the Council can continue with the strategy set out for 2023/24.

Revenue Savings and Investment proposals

8.11. The Medium Term Financial Strategy highlighted a need to make at least £2.6million of net savings (efficiencies, income generation and service changes) over a five-year period i.e. by the end of 2027/28, which included the assumption that £200k of savings would be identified during the 2023/24 budget process.

8.12. The revenue savings and investment proposals were presented to Political Group workshops (Joint Administration and Conservative) in early November. The full list of revenue savings and investments is attached as Appendix A.

8.13. The proposals presented to the budget workshops resulted in medium-term net revenue savings of £284k per year. The joint administration workshop were content with all the proposals put forward. The Conservative Group asked a number of questions about the proposals but did not make any comments or recommendations to Cabinet.

8.14. Since the Budget Workshop it has been identified that the Scrutiny Committee will require additional Officer support to help it to be more effective. It is not currently clear how much additional support will be required. It is likely that this can be afforded from previous savings identified from a restructure in a different part of the Legal and Community directorate. Therefore, at this stage a budget pressure bid does not need to be added.

8.15. A further change since the Budget Workshop is that Hertfordshire County Council are looking to withdraw the support that they provide to Districts and Boroughs to minimise residual (i.e. non-recyclable) waste. This funding was provided through a mechanism known as the Alternative Financial Model. The amount that we will receive will reduce in 2023/24 (which is a payment based on performance in 2022/23), although it is expected that it will be broadly in line with the budget, after adjusting for the potential ongoing impacts of COVID-19 (as detailed in the Medium-Term Financial Strategy). It will then reduce to zero in 2024/25, which will be a budget pressure of around £400k. This will add to the savings that need to be identified and delivered in later years.

8.16. Another change is a proposal to extend the outdoor pool season at Letchworth Outdoor pool by 4 weeks (2 weeks at the beginning and end of the season) in 2023. Based on experience of usage and to minimise the financial impact to the council, the opening hours will be restricted to peak periods. A timed session wrist band system is also being introduced during the school holidays to reduce queuing and maximise income. A review of season ticket pricing will also be undertaken prior to the new season. The overall impact is expected to be an additional cost of up to £25k in 2023/24.

Capital Proposals

8.17. At the Budget Workshops, the Political Groups also considered capital investment proposals, which are attached at Appendix B. In addition to the importance that capital spend is scrutinised to ensure that it is in line with Council needs and priorities, the Council also faces a revenue cost of capital spend. The cash that is spent would otherwise be invested to generate a return. As interest rates have increased, the cost (through lost investment income) increases. In the medium term, the Council will also

move to being in a position where it has to use borrowing (either internal or external) to fund its capital programme. This further increases the cost of capital spend.

8.18. In addition to the list at Appendix B, it was also verbally highlighted that there would be a bid (amount currently unknown) for the replacement of the CCTV cameras that the Council will be retaining. This reflects that a number of cameras are getting old and need to be replaced with more modern technology. As well as providing better image quality, the new cameras may also allow revenue savings (e.g. in the way that they connect to the CCTV Control Room and the data link costs).

8.19. The joint administration workshop was content with all the capital proposals put forward. It was highlighted that they were looking to redevelop Charnwood House in to a community facility, but there was still too much uncertainty over the cost to include an amount in the capital programme at this stage. The cost that the Council would fund would be affected by the final design and also any funding from third parties.

8.20. The Conservative Group asked a number of questions about the proposals but did not make any comments or recommendations to Cabinet.

9. LEGAL IMPLICATIONS

9.1. The Cabinet has a responsibility to keep under review the budget of the Council and any other matter having substantial implications for the financial resources of the Council.

9.2. Cabinet's terms of reference include recommending to Council the annual budget, including the capital and revenue budgets and the level of council tax and the council tax base. Council's terms of reference include approving or adopting the budget.

9.3. Members are reminded of the duty to set a balanced budget and to maintain a prudent general fund and reserve balances

10. FINANCIAL IMPLICATIONS

10.1. These are mainly covered in the body of the report.

10.2. The Council can fund capital expenditure from capital reserves or new capital receipts (e.g. sale of surplus land) which has a moderate revenue impact (i.e. the lost interest from investing the cash). The Council can also use revenue funding for capital expenditure but given the forecast budget position that the Council faces, this is not a viable option.

10.3. The Council is now in a position where its available and forecast capital reserves will not be sufficient to fund the capital programme, so it will need to borrow to fund its capital spend. Guidance from CIPFA (the Chartered Institute of Public Finance and Accountancy) strongly encourages Councils to borrow internally where possible. This involves using the available cash from revenue reserves and provisions to fund the capital spend, rather than brining in additional cash from external borrowing. The cost of this will be made up of the lost interest from investing that cash and a charge known as a Minimum Revenue Provision (MRP).

10.4. Where a Council is in a position where it needs to borrow (technically known as having a positive Capital Financing Requirement) then it has to include a MRP charge to its revenue budget. In simple terms this creates an amount over the life of the asset being borrowed for to repay the borrowing. In common with other Councils, the Council will assume that it is borrowing against its assets with the longest life and therefore the MRP will be based on a 40 year life (i.e. 2.5% per year).

11. RISK IMPLICATIONS

11.1. The risks are highlighted in section 8. The next iteration of this report will be presented to Cabinet in January, and this version will include a full review of the adequacy of estimates that have been made and of reserve balances. This includes a view from the Service Director- Resources (as the Council's Chief Finance Officer) of the minimum level of General Fund reserves. The margin between actual and the minimum General Fund reserve levels provides a proxy for the level of financial risk that the Council faces, and its ability to deal with changes.

12. EQUALITIES IMPLICATIONS

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

12.2. For any individual proposal comprising either £50k growth or efficiency, or affecting more than two wards, an equality analysis is required to be carried out; this has either taken place or will take place following agreement of efficiencies or growth.

13. SOCIAL VALUE IMPLICATIONS

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

14. ENVIRONMENTAL IMPLICATIONS

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

15. HUMAN RESOURCE IMPLICATIONS

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

16. APPENDICES

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

16.2. Appendix B - Proposed Capital Programme

17. CONTACT OFFICERS

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18. BACKGROUND PAPERS

18.1. Medium Term Financial Strategy: Agenda for Council on Thursday, 22nd September, 2022, 7.30 pm | North Herts Council (north-herts.gov.uk)

REVENUE BUDGET SAVINGS AND INVESTMENTS

New Revenue Efficiency Proposals

Description of Proposal	Net Efficiency				
	2023/24	2024/25	2025/26	2026/27	2027/28
	£'000	£'000	£'000	£'000	£'000
Expenditure on printing and photocopying. The contract for the rental of Multi Functional Devices (MFD's) has recently expired and we have taken the opportunity to review usage and current requirements. This has resulted in a reduction in the number of devices and therefore a reduction in the ongoing total rental cost.	(2)	(2)	(2)	(2)	(2)
IT Software Costs. Following the upgrade of Microsoft licences earlier this year we have been able to eliminate some of the peripheral software costs, as they are now included within the Microsoft Agreement.	(9)	(9)	(9)	(9)	(9)
IT Network costs. Following a review of our Public Services Network (PSN) security we have been able to eliminate the use of a dedicated PSN line supplied by Vodafone as this is no longer required.	(4)	(4)	(4)	(4)	(4)
Careline equipment maintenance for non-complex clients. This service was provided by an external company. When Careline took on additional clients from HCC the cost of the additional maintenance was unknown, so the budget was estimated and potential higher costs were built in. Now the maintenance and installation is to be provided inhouse (Caretech) this has led to a reduction in estimated costs on the maintenance side, which has resulted in a saving on the maintenance budget.	(161)	(161)	(161)	(161)	(161)
Careline equipment maintenance for clients with complex needs. Installation and maintenance is currently provided by an external company under a contract to the end of March 2023. The estimated saving would be from bringing this service in-house from April 2023, subject to approval from Cabinet. The saving relates to maintenance costs only, as installation costs are funded by Herts County Council.	(51)	(51)	(51)	(51)	(51)
Net income from the acquisition of Churchgate Shopping Centre. Following the acquisition of the head leasehold interest the Council will receive additional income (i.e. the income from the tenants, less associated management costs and previous income levels). This saving reflects the additional income that is necessary to off-set the treasury income that would have been generated from the capital used to purchase the shopping centre. This is estimated at 2% of the total capital acquisition cost. The intention is that the remaining income will be set aside in a reserve to support the planning and delivery of Churchgate regeneration project. The money will provide necessary professional advice via consultants, architects, quantity surveyors etc. The amount required is very uncertain, and will be kept under review. As plans develop further it will become possible to capitalise any costs (subject to a future capital bid) that relate to a final scheme, when that scheme moves in to construction. Based on advice during the acquisition it is estimated that the available funding could be around £750k by the end of 2025/26.	(84)	(84)	(84)	(84)	(84)
Additional net income from appointment to a new Assistant Operations and Events Manager position at Hitchin Town Hall for a fixed term of two years. The new post, whilst supporting and adding resilience to the overall Hitchin Town Hall service, would be primarily responsible for scheduling and planning a range of internally organised public events. Recently the team have begun running such events in small numbers, which have generated good returns for the Council, but without further staff capacity, the team lack the time to programe in more of these events over and above the general day to day private hire requests. This new role will allow the service to generate greater income through running more internally organised public events and being able to match increasing demand with more staffing capability. The proposal would also facilitate the requested temporary reduction in hours from 37hpw to 30hpw of the current Operations and Events Manager (saving included in efficency value).	(8)	(8)	-	-	-
Net direct surplus from the creation of a café kiosk in Bancroft Pavilion, which will enable the council to offer food and refreshments at one of its green spaces. The corresponding capital investment in 2023/24 required to renovate a disused wing of Bancroft Pavilion for this purpose is requested within the Investment Strategy 2023-2033.	(9)	(9)	(9)	(9)	(9)
Interest income return from treasury investments. As noted below, the ongoing budget was increased at Quarter One 2022/23 following the increases to the Bank of England base rate during the calendar year 2022. The base rate was subsequently increased by a further 0.5% to 2.25% on the 22nd September and may rise further in the coming months. The estimated interest rate return is also dependent on the anticipated level of cash balances available for investment, hence this estimate will be further refined when the Investment Strategy is finalised in January.	(180)	-	-	-	-
Reduction in marginal contribution rate to the Local Government pension scheme following the triennial revaluation of the scheme. The current marginal contribution rate is 18.6%. Based on early indications of the outcome from the revaluation exercise and an improvement in the Council's position over the three years, the actuary has indicated that a revised marginal rate of 17.6% should be sufficient to maintain a stable position going forward.	(110)	(110)	(110)	(110)	(110)

Garden waste subscriptions income. We have received anecdotal feedback from residents that the subscription perod should start in spring, rather than autumn. This change would require an 18 month subscription period from October 2023 to March 2025. This length of subscription should be over £60, but using reserves to keep the price at £49, as we are know the impact the cost of living crisis is having on residents. We will have a new waste contract from May 2025 and unfortunately we expect our costs to go up. Garden waste charging from April 2025 will reflect the full cost of the service, which includes the administration costs (including in relation to providing concessionary pricing) and providing bin stickers. The current estimate is that this would be around £49 per year. As the current budget assumption is an annual increase of 2% efficiency value represents the diiference between that and the newly estimated income. See also R33 which shows the assumed additional costs from 2025/26 that will be covered by the additional income.	121	253	(168)	(145)	(121)
Waste awareness and minimisation expenditure. Expenditure budget for this purpose in previous years has been directly linked to the value of the AFM receipt received from Herts County Council. It is proposed to adjust the base expenditure budget to reflect expected spend, which will include the joint financing of a Waste Awareness Officer post from 2024/25 with East Herts District Council.	(93)	(83)	(73)	(73)	(73)
Provision of safety barriers and man safe systems to various premises to improve safety of roof access for roof maintenance, gutter and outlet maintenance. Estimate includes additional cost of provision of man safe systems to three sites with the ongoing saving from a reduction in access equipment required to access the roofs year on year.	1	1	(3)	(3)	(3)
Revenue efficiency associated with capital proposal for the provision of remote testing Emergency Lights and Water Temperature Monitoring at at least four small pavilion and cemetery sites. The equipment will reduce the number of physical inspections / compliance visits required.	-	(1)	(4)	(4)	(4)
	(429)	**(420)**	**(417)**	**(417)**	**(417)**
Total Net Budget Reduction from new efficiency proposals	**(160)**	**152**	**(261)**	**(238)**	**(214)**
	(589)	**(268)**	**(678)**	**(655)**	**(631)**

New Revenue Pressures and Investment Proposals

Description of Proposal	Investment 2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
IT software maintenance expenditure. Upgrades to the Public Access module of the Planning management system over a three year period from the start of April 2023. While NHC will undertake all customer installable upgrades, to avoid additional costs of £43k over the 3 years had the software provider completed the upgrades, the public access module is not customer installable and has to be upgraded by the software provider IDOX.	7	7	7	7	7
Economic Development Officer post. The current budget allocation for the shared post with East Herts District Council ends in March 2023. It is proposed that this continues for 2023/24.	25	-	-	-	-
Development of a new Enterprise Strategy. Appointment of specialists/consultants to help the Council produce a new Enterprise strategy, which will include Economic Development, Tourism and Commercial.	15	-	-	-	-
Appointment of Architect (Royal Institute of British Architects "RIBA" qualified) to undertake four stages of consultancy on proposed repurposing/redevelopment of Royston Town Hall Annexe, off Melbourn Street, Royston. Four stages are: (1) Strategic Definition; (2) Preparation & Brief; (3) Concept Design; and (4) Developed Design.	20	-	-	-	-
Purchase of Wireless Gallery Climate Monitoring Devices for North Herts Museum. These devices are important for ensuring that our museum has the correct environment for storing and displaying artwork and historical artefacts. The current devices we have are reaching the end of their life and have various technological limitations compared with modern devices. The new devices would enable us to monitor gallery conditions remotely and be alerted to emerging issues along with being able to share this data with other prospective museums considering loaning their exhibits to us. This would hopefully allow us to convincingly demonstrate the stable environment within our galleries and stores to other museums and would also allow us to take ever greater care of our exhibits.	3	-	-	-	-
One off financial support to Citizens Advice for North Herts to ensure operations provided under the Memorandum of Understanding continue in the current economic climate and can accommodate the increase in need. The proposed investment for Citizens Advice will contribute to the upgrading of the IT infrastructure underlying their service delivery.	20	-	-	-	-
One off financial support to North Herts Minority Ethnic Forum to ensure operations provided under the Memorandum of Understanding continue in the current economic climate and can accommodate the increase in need. The proposed investment will address the anticipated shortfall in funding to cover the core costs of their service provision.	25	-	-	-	-
One off financial support to North Herts Centre for Voluntary Services to ensure operations provided under the Memorandum of Understanding continue in the current economic climate and can accommodate the increase in need. The proposed investment will help CVS to build capacity in the community through greater partnership working and the hosting of a Voluntary Sector conference.	5	-	-	-	-
Annual Remembrance event in Letchworth. The event requires the closure of one road, for which an application must be submitted to the County Council. The budget requested is for the appointment of a Traffic Management Company to prepare a plan to support the application. For events beyond 2023/24, Officers are seeking to gain appropriate training and accreditation to enable the Council to successfully submit a road closure application without requiring the involvement of a traffic management company.	5	-	-	-	-
Additional resource required to respond to Domestic Homicide Reviews (DHRs). This takes the total contribution up to £5k. Since 13 April 2011, there has been a statutory requirement for local areas (i.e. Community Safety Partnerships) to conduct a multi agency DHR following a domestic homicide of a person aged 16 or over which has, or appears to have, resulted from violence, abuse or neglect. If we do not contribute to the county-wide arrangement, then we would be required to fund the full cost of any DHR in our area (upwards of £12k per DHR).	2	2	2	2	2
Recruitment of fixed term Sustainability Project Manager to help enable the council to meet its net zero commitments. The cost will be partially offset by temporary salary savings within the Place directorate.	40	40	40	-	-
Sustainability projects expenditure budget. To support the Council and Herts Climate Change and Sustainability Partnership projects, which will assist with delivery of aspirations within the climate change strategy and to work towards shared county wide climate goals.	25	-	-	-	-
Commissioning of consultants to carry out a ten year condition survey of the Council's Leisure Centre buildings. The survey will identify the level of investment required to maintain and improve the current offer over the next 10 years and will inform capital allocations required in future years. This survey will also form part of the leisure procurement documentation, with potential providers given a better understanding of the condition of the assets they will be tendering to manage and the future plan in place.	32	-	-	-	-

Waste related telephone payments, including garden waste payments, are currently facilitated by Urbaser. It is intended to bring payments back in-house and this will require an upgrade to the telephone payment system to allow for immediate confirmation of payment receipt to ensure additional back office reconciliation is not required.	TBC	TBC	TBC	TBC	TBC
Integration of waste management IT systems with CRM. Costs associated with additional part time staff resource procured to provide integration on a fixed term contract.	20	20	10	-	-
Anticipated waste collection catchup costs associated with the additional bank holiday for the Coronation of King Charles III.	20	-	-	-	-
Hitchin Rail Station - Eastern Access options appraisal - funding required to appoint consultants to undertake a wider Strategic Sustainable transport option appraisal to improve east - west access across Hitchin including Hitchin Station, the town centre and Wilbury industrial estate. Project fee estimated at £60k - £30k required to match fund a bid being sought by HCC.	30	-	-	-	-
Recruitment of Planning Enforcement Officer. With the receipt of the Inspector's letter and the approval of some large scale housing sites within the District, the planning enforcement team requires additional resource to met the expectations placed upon it. Currently the team has one manager and two junior officers (one being part time in this role). This bid seeks funding for an experienced enforcement officer to cater for the additional workload arising from the Local Plan. Investment value indicates maximum cost of proposal.	53	53	53	53	53
Recruitment of Major Projects Development Management Officer. The receipt of The Inspectors letter and the adoption of the master planning process has identified a need to recruit a qualified major projects officer. Planning is a hard to recruit to service and, as such, often the most suitable candidates only wish to work part time. In addition staff often request flexible working arrangements, such as following maternity leave. As such, the additional cost of this post can be offset by the salary lag generated from where full time posts within the service have been recruited to at part time hours. The investment bid is therefore for the remaining funding to seek a full time officer. Investment value indicates maximum cost of proposal.	17	17	17	17	17
Recruitment of Housing Improvement Officer subject to job evaluation). The new role would be to identify & facilitate energy improvements or 'green' energy grants, target & bring into use vacant residential premises including via CPO & Management Orders & help residents live longer & healthier in their homes. Investment value indicates maximum cost of proposal.	47	47	47	47	47
Recruitment of a Housing Register and Accommodation Officer. This post would be to focus on the resettlement of refugees and any associated asylum seeker activity, which is an increasing area of work. Given the nature of the role, the estimated additional cost of the post would be eligible to be financed from the grant monies currently held in the Syrian Refugee earmarked Reserve.	-	-	-	-	-
Local Plan Review - the examination of the Local Plan 2011-2031 cost ~£1m (this excludes the preparatory costs of the earlier consultation stages and evidence base) and contains a commitment to begin the next review by the end of the 2023, looking forward over the period to the 2040s. Although it is presently anticipated that the cost of the next review will not be as high (due to, inter alia, having a relatively recent plan to build upon, potential for some costs to be shared / mitigated / absorbed through joint planning arrangements etc.) there will still be a significant cost. There will be a requirement for early stage evidence studies to inform the review scheduled for late 2023 and / or 'pace' the development of the evidence base whilst any year-on-year underspend will help mitigate / reduce further growth bids as the Plan reaches key points (e.g. pre-submission and examination stages which require full, up-to-date evidence bases, legal support etc.). Proposed reforms to the planning system are currently in the early stages of progress through Parliament and may result in new or additional requirements. The 2022/23 budget included approved funding of £60k per annum over a five period (£300k in total). This bid is based upon a more defined work programme and is for a further £60k per year over the next five years which would provide a working budget of £120k per year for the next four years and a total commitment of £600k over a six year period.	60	60	60	60	60
Chilterns Area of Outstanding National Beauty (AONB) extension. The Council previously supported an application to extend the AONB boundary and approved an associated budget. The application failed to progress for a number of years and the budget was removed. Natural England are now in the early stages of considering the potential for such an extension of the Chilterns Area of Outstanding Natural Beauty, which lies partially within the District. Further areas within North Hertfordshire may be considered for inclusion or amendment. The process is expected to take 2-3 years to complete. The Growth Bid reflects the previous budget and would be used to secure ongoing expert support from a Landscape Consultant to advise the Council on any emerging proposals.	10	10	10	-	-
Local Cycling Walking Infrastructure Plan (LCWIP) - Rural Areas. Match funding is required in working with HCC to review the adopted Plan for the inclusion of rural areas and to prepare and undertake survey work associated with an extension to the NHC LCWIP.	-	20	30	-	-
Electric Vehicle (EV) charge point maintenance. Resource is required to cover existing 10 EV vehicle charge points within NHC public car parks cost at an estimated cost of £500 per socket per year. Only one year of funding has been sought as officers are seeking to extend the provision through a Government Grant and partnership with a private sector operator who will take over the existing charge points. If the bid is unsuccessful or the operator declines to take over the existing chargers, further investment bids will be required in the future.	5	-	-	-	-

Sustainable Travel Town. Funding is requested for North Herts Council's contribution towards the preparation of the Sustainable Travel Town Implementation Plans in Letchworth and Royston, including community engagement and promotion.	20	10	10	-	-
Lighting maintenance at Letchworth Multi Storey Car Park (LMSCP). All the current lighting was installed nearly nine years ago and the number of failures has increased recently. The budget pressure is to recognise both; the additional cost from the higher number of visits anticipated in next year to address issues with the lighting; to engage a lighting design specialist to look at Letchworth MSCP to, 1) give a view on the longevity of the existing installation at LMSCP and 2) provide an estimate for a large scale replacement, which can be used to form a future capital bid.	25	-	-	-	-
Repair of the surface water drain at District Council Offices, Letchworth.	-	15	-	-	-
Implementation and ongoing licence and support fees of a computer aided facilities management system (CAFM). This is the net additional cost after reallocation of some other linked budgets. The CAFM system will help deliver a number of benefits including: improved property compliance and resilience, better reporting on progress of fixing property issues and improved works management which will help deliver better value for money.	10	10	10	10	10
Estimated additional cost from the reprocurement of the property compliance contract. The previous contract was based on a fixed price over the contract period. So this mainly reflects the accumulated inflation on costs, which are particularly high in relation to materials. This estimate is based on Community Centres taking on monthly checks. This will be subject to a Cabinet decision in December. The additional cost would be around £15k higher, if the Council continues to provide these monthly checks.	30	30	30	30	30
Contribution to Better Business for All. This service provided through the Local Enterprise Partnership supports works to boost business productivity and growth by making it easier for businesses to access the regulatory support they need from Local Authorities such as Trading Standards, Environmental Health, Licensing and others. BBFA also works with regulators to help them better understand the challenges faced by businesses.	3	6	-	-	-
Additional garden waste collection costs that are covered by increased income. Note the additional costs will be only be known when the new contract is awarded in early 2024.	-	-	168	145	121
Repairs to the riverside footpath near Jill Grey Place in Hitchin that will be required when it is taken on by the Council. This is part of the overall project to provide a link from Bridge Street to Biggin Lane.	26	-	-	-	-
Total Net Budget Increase from new pressures and investment proposals	**600**	**347**	**494**	**371**	**347**
	-	**-**	**-**	**-**	**-**
	600	**347**	**494**	**371**	**347**

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	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Asset Management and Investment									
Replacement of Newark Close, Royston.	**65**	**-**	**65**	**0**	**0**	**0**	**0**	**0**	Newark Close is owned by North Herts Council. It is not adopted public highway. It provides vehicle and pedestrian access to several of NHDC's investment property tenants, their under-tenants, customers and the public. The road is in poor and hazardous condition with pot holes, cracks and unevenness. Wholesale replacement of the road, including surface and sub-surface, is now required to maintain safe access.
Provide housing at market rents	**10**	**-**	**10**	**0**	**0**	**0**	**0**	**0**	The budget allocation remaining is for the works to complete the conversion of Harkness Court. The opportunities for further spend were limited by the changes to the CIPFA Prudential Code, which precluded the purchase of existing residential property as generally this would be seen as investment primarily for a financial return (unless there was a clear redevelopment plan).
Sub-Total: Asset Management and Investm	**75**	**-**	**75**	**-**	**-**	**-**	**-**	**-**	
Corporate Items									
Council Car Fleet	**141**	**-**	**141**	**0**	**0**	**0**	**0**	**0**	The Council's cars, which were each procured via three-year lease contracts respectively, have to date been classified for accounting purposes as operating leases, with associated lease payments simply charged as a revenue expense. Under the new accounting standard IFRS 16: Leases, effective from April 2022, these leases will have to be recorded on the Council's balance sheet as right-of-use assets with a corresponding lease liability (representing the present value of future lease payments). The Council has elected to defer implementation to April 2023.
Sub-Total: Corporate Items	**141**	**-**	**141**	**-**	**-**	**-**	**-**	**-**	
Externally financed projects									
Shared Prosperity Fund Community and Place Intervention: Community Engagement Schemes	**163**	**163**	**0**	**163**	**0**	**0**	**0**	**0**	Planned capital expenditure, financed from the UK Shared Prosperity Fund, to support town centre regeneration and community initiatives, in line with the investment plan submitted to government.
Shared Prosperity Fund Community and Place Intervention: Creation of and improvements to local green spaces	**120**	**120**	**20**	**100**	**0**	**0**	**0**	**0**	Planned capital expenditure, financed from the UK Shared Prosperity Fund, to support town centre regeneration and community initiatives, in line with the three year investment plan submitted to government. An allocation of £10k in 2022/23 was approved by the Executive Member for Finance & IT. Capital allocations are now requested for 2023/24 and 2024/25 (years 2 and 3 of the Investment Plan).
Shared Prosperity Fund Community and Place Intervention: Local sports facilities, tournaments, teams and leagues	**200**	**200**	**100**	**100**	**0**	**0**	**0**	**0**	Planned capital expenditure, financed from the UK Shared Prosperity Fund, to support town centre regeneration and community initiatives, in line with the investment plan submitted to government. An allocation of £50k in 2022/23 was approved by the Executive Member for Finance & IT. Capital allocations are now requested for 2023/24 and 2024/25 (years 2 and 3 of the Investment Plan).
Sub-Total: Externally financed projects	**483**	**483**	**120**	**363**	**-**	**-**	**-**	**-**	

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	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Grants to Third Parties									
Private Sector Grants	**480**	**-**	**60**	**60**	**60**	**60**	**60**	**180**	HRAGs are a discretionary form of assistance specifically designed to provide practical help through a grant for small-scale works. This grant provides cash limited assistance up to £5K within any three-year period, for minor works for owner / occupiers and private tenants who meet certain criteria. HRAG funding is also used to support the Warm Homes Fund project where homes without central heating are provided with gas central heating. HRAGs are means tested and help to eradicate CAT1 Hazards, such as excess cold. In February 2015 Council approved an increase in the level of funding from £35k to £60k per annum for 2015/16 and future years.
John Barker Place, Hitchin	**1,096**	**270**	**1096**	**0**	**0**	**0**	**0**	**0**	Cabinet agreed to the commitment to the John Barker Place regeneration scheme in January 2013, subject to the availability of funds. The Development Agreement in place for the development states 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.
Sub-Total: Grants to Third Parties	**1,576**	**270**	**1,156**	**60**	**60**	**60**	**60**	**180**	
Green Space Developments									
Remote testing equipment - Emergency Lights and Water Temperature Monitoring	**13**	**-**	**0**	**13**	**0**	**0**	**0**	**0**	Provision of remote testing Emergency Lights and Water Temperature Monitoring at at least 4 small pavilion and cemetery sites.
Grounds Maintenance Vehicles / Machinery	**315**	**-**	**315**	**0**	**0**	**0**	**0**	**0**	The incorporation of the accounting standard IFRS 16: Leases in the accounting code, effective from April 2022, will mean that the vehicles used to deliver the Council's greenspace maintenance contract will be considered for accounting purposes to have transferred to the Council under a lease arrangement, with the vehicles therefore recorded on the Council's balance sheet at the end of 2022/23. The change will not affect the cash value of the payments made annually to the contractor under the service contract. The Council has elected to defer implementation to April 2023.
Playground Renovation District Wide	**1,800**	**-**	**180**	**180**	**180**	**180**	**180**	**900**	Moving forward from the previous policy to renovate a single play area annually to undertake a program of undertaking two locations each year. This ensures that each play area is renovated on an 18 year cycle, which still far exceeds manufacturer lifespan guidelines. Proposed to extend annual allocation to cover all of ten year programme.
Sub-Total: Green Space Developments	**2,128**	**-**	**495**	**193**	**180**	**180**	**180**	**900**	
Green Space Developments - Baldock									
Weston Hills Baldock	**20**	**-**	**20**	**0**	**0**	**0**	**0**	**0**	Resurface car park off Lime Kiln Lane Baldock

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	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Avenue Park Splash Pad	**70**	**-**	**70**	**0**	**0**	**0**	**0**	**0**	To replace the existing mains fed system with a recirculating system as found at our other splashpads. This will reduce water usage and help maintain good levels of water quality. This will also reduce the problem of algae on the surfacing.
Sub-Total: Green Space Developments - Ba	**90**	**-**	**90**	**-**	**-**	**-**	**-**	**-**	
Green Space Developments - Hitchin									
Swinburne Rec Hitchin	**30**	**-**	**30**	**0**	**0**	**0**	**0**	**0**	Enlarge the car park and improve the footpaths around the site.
Oughtonhead Common Hitchin Weir	**400**	**-**	**400**	**0**	**0**	**0**	**0**	**0**	Restoration of collapsed weir in accordance with guidance received from the Environment Agency. Some of this cost may ultimately be financed by grant funding from Herts County Council and the Environment Agency but this is not currently guaranteed.
Bancroft Café Kiosk	**-**	**-**	**0**	**0**	**0**	**0**	**0**	**0**	Creation of a Café Kiosk within Bancroft Gardens. The proposed site will be a disused wing of Bancroft Pavilion. It is expected that the cost of renovating this site into a suitable food preparation and service area will be around £20k. See corresponding efficiency proposal for details of anticipated revenue impact. It is shown as zero value here as expecting to carry out the works in 2022/23 and will be added to the capital programme via Finance and IT Executive Member approval (as per the financial regulations)
Walsworth Common Pavilion - contribution to scheme	**300**	**287**	**300**	**0**	**0**	**0**	**0**	**0**	This project was originally listed as a project for 2016/17 in the Council's adopted Green Space Management Strategy 2014 - 2019. The project was slipped into 2017/18 pending the outcome of the Green Space Strategy review. In the review, the pavilion was identified as being beyond economic repair and the project was earmarked for 2020/21 in the Council's adopted Green Space Management Strategy 2017 - 2021. The project is dependent on securing section 106 contributions and/or external grants.
Renovate skate park at KGV Hitchin	**250**	**-**	**250**	**0**	**0**	**0**	**0**	**0**	The existing equipment on site is now worn out and in need of replacement. Additionally there is a significant local interest in improving the existing facility for future generations.
Bancroft Lighting	**45**	**-**	**45**	**0**	**0**	**0**	**0**	**0**	To remove the existing out of date and potentially dangerous lighting around the gardens and replace with new items. This would significantly improve personal safety of the public.
Oughtonhead Common Footpaths	**20**	**-**	**20**	**0**	**0**	**0**	**0**	**0**	To renovate the footpath around the common on a rotating program of works as per the Greenspace action plan for the site.

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	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Ransoms Rec Footpaths, Gates and Railing	**20**	**-**	**20**	**0**	**0**	**0**	**0**	**0**	Many of the footpaths are degrading and becoming uneven and would be greatly enhanced if the footpaths were brought up to a uniform standard throughout the site. The formal gates and railings off Nightingale Road are in need of investment to ensure they remain safe, fit for purpose and of an appropriate standard for the location.
St Johns Cemetery Footpath	**40**	**-**	**0**	**40**	**0**	**0**	**0**	**0**	Previous investment options were removed from the Greenspace Strategy and the identified works have not been delivered. Planning for the renewal of the Greenspace Management Strategy in 2021.Many of the footpaths are degrading and becoming uneven. As many of the visitors to the cemetery are elderly this poses a significant risk. Additionally the aesthetic appearance of the cemetery would be greatly enhanced if the footpaths were brought up to a uniform standard throughout the site. Due to other priorities and limited staffing resources this is planned for 2024/25. In the meantime urgent repairs will be completed on an adhoc urgency basis.
Bancroft and Priory Splash Pads	**35**	**-**	**0**	**35**	**0**	**0**	**0**	**0**	These two systems were introduced 4 years ago and use the same systems to maintain water quality. Over time the systems wear and require replacement of the filter media and uv systems to ensure that they remain effective.
Sub-Total: Green Space Developments - Hit	**1,140**	**287**	**1,065**	**75**	**-**	**-**	**-**	**-**	
Green Space Developments - Letchworth									
Icknield Way Cemetery Letchworth Road and Path Resurfacing	**100**	**-**	**100**	**0**	**0**	**0**	**0**	**0**	Undertake resurfacing of whole site roadways and footpaths.
Norton Common Letchworth Tennis Courts	**25**	**-**	**25**	**0**	**0**	**0**	**0**	**0**	Resurface tennis courts. The courts are well used but the playing surface is worn out.
Howard Park Letchworth Path Resurfacing	**40**	**-**	**10**	**10**	**0**	**10**	**10**	**0**	Phased approach to resurfacing the pathways at Howard Park.
Wilbury Hills Cemetery Footpaths	**50**	**-**	**10**	**10**	**0**	**30**	**0**	**0**	Due to high volumes of visitors the existing footpath network through the site are wearing out this program will support an investment program over a period of time to maintain current standards.
Norton Common Footpaths	**10**	**-**	**10**	**0**	**0**	**0**	**0**	**0**	To renovate areas of footpath around the common on a rotating program of works as per the Greenspace action plan for the site.
Sub-Total: Green Space Developments - Le	**225**	**-**	**155**	**20**	**-**	**40**	**10**	**-**	
Green Space Developments - Royston									

Page 240

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	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Newmarket Road Royston Skatepark and Access	**100**	**-**	**100**	**0**	**0**	**0**	**0**	**0**	Following the success of the new facility at Norton Common the existing item at Newmarket Road is in need of renovation and updating. At the same time, now that the site is becoming more popular, access into the skatepark requires improvement and formalising. The Service Manager for Greenspace will investigate options to fund this project from existing or future S106 contributions. Council approved a capital allocation of £90k for this project in February 2022. An additional £10k is requested to extend the access improvements to the whole site to facilitate the expected increase in usage.
Sub-Total: Green Space Developments - Rc	**100**	**-**	**100**	**-**	**-**	**-**	**-**	**-**	
IT Schemes:									
Member Laptops - Refresh Programme	**120**	**-**	**30**	**0**	**0**	**30**	**0**	**60**	Laptops were purchased for Council Members in 2020 to support the new ways of working during the pandemic. Periodic replacement will ensure that the equipment is fit for purpose and that the software is compliant with PSN regulations. A capital allocation of £30k is requested to be earmarked in 2032/33.
Laptops - Refresh Programme	**961**	**-**	**35**	**40**	**319**	**49**	**35**	**483**	As part of the Business Transformation changes, the strategy going forward will be for all officers to have a laptop instead of a PC that will be used for both Home Working and Office use. Update to include continuing replacement programme (previoulsy only up to 2025/26) and additional allocation (£25k) per year for breakages/ new staff.
Tablets - Android Devices	**60**	**-**	**10**	**10**	**10**	**10**	**4**	**16**	As part of the IT Strategy and supporting the channel migration programme, the tablets are required to continue the roll-out to identified officers who would benefit from having mobile devices to be more efficient and productive. It is becoming increasingly important for those staff who are mobile working that they have the correct tools to view emails and documents whilst on the move. The tablets also facilitate paperless Committee Meetings.
PC Refresh Programme	**61**	**-**	**7**	**13**	**7**	**8**	**5**	**21**	PC's identified as having reached their end of useful life as part of the annual refresh programme. The assets have been used well past their original end of life because of the introduction of the Citrix thin client technology.
Backup and Business Continuity Hardware	**122**	**-**	**37**	**0**	**69**	**0**	**0**	**16**	Hardware relating to Back Up and Disaster Recovery / Business Continuity. Items previously listed separately including: DR Hardware Refresh inc UPS Battery Pack for Unit 3 (DR site) - this includes, servers, switches and UPS at Unit 3 Back Up Diesel Generator at the DCO - Renewal of hardware in 2023/24 to ensure continued generator back up. Expected to be a non-diesel alternative. 3 x 40 UPS Device or Battery replacement - lifespan of these items is 3 years therefore ongoing replacement is required to ensure the UPS continues to work effectively.

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	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Infrastructure Hardware	**540**	**-**	**0**	**314**	**0**	**18**	**18**	**190**	Physical hardware supporting the corporate IT infrastructure which require updating at regular intervals. Includes Items previously listed separately: Dell servers - upgrade and maintenance of servers at regular intervals New Blade Enclosures - an integral part of the servers, require updating at the same time as the servers Core Backbone Switch - links the virtual servers to the Storage Area Network Data Switch Upgrade - The main data switch within the IT Server estate is a critical piece of hardware that connects the data packets moving between the Network Servers, Data Storage and the fibre infrastructure. It is critical to ensure that these are updated regularly Cabinet Switches to ensure that traffic is routed immemdiately from the servers to the desktops / laptops
Security - Firewalls	**52**	**-**	**0**	**16**	**0**	**18**	**0**	**18**	Firewalls are one of the most important pieces of hardware between the NHDC Network and the outside world and it is this equipment that stops cyber attacks from penetrating NHDC systems and data. There is a need to ensure this hardware is kept as current and up to date as possible to ensure the Council's networks and data are kept secure.
Alternative to safeword tokens for staff/members working remotely	**25**	**-**	**0**	**3**	**0**	**3**	**0**	**19**	The technology has changed considerably since we first starting using the Safeword Tokens 7-8 years ago. With the changes in personal technology such as Smart/IOS Phones there are now products on the market that are PSN approved for getting Access Keys delivered for 2 Layer Authentication such as Texts or App's on Smart Phones etc. This enables Members, Staff and Support Agencies to gain access to the remote login site from anywhere with no need to have a physical hardware device to hand.
Microsoft Enterprise Software Assurance	**2,173**	**-**	**0**	**0**	**679**	**0**	**0**	**1494**	It is essential NHDC has the correct Microsoft Licences to ensure the Council does not fall foul of F.A.S.T (Fraud Against Software Threat) regulations. An additional allocation of £747k is requested to be earmarked in 2031/32 for the renewal of the three year licenses.
WiFi Upgrade	**40**	**-**	**0**	**0**	**40**	**0**	**0**	**0**	WiFi upgrade within District Council Offices, Hitchin Town Hall/ North Hertfordshire Museum and Buntingford Depot. As part of the ongoing Transformation programme, the upgrade will ensure staff and Members will have full Internet access via their laptops when operating from these Council buildings.
Sub-Total: IT	**4,154**	**-**	**119**	**396**	**1,124**	**136**	**62**	**2,317**	
Leisure Related Proposals									
Leisure Condition Survey Enhancements	**-**	**-**	**0**	**0**	**0**	**0**	**0**	**0**	A physical condition survey was carried out at all four leisure facilities in 2018. This funding is to deliver the remainder of the works that are needed from that survey. Officers have evaluated the remaining projects identified in the condition survey with those capital needs identified subsequently and prioritised accordingly. As a result, it is proposed to remove the existing capital budget of £80k in 2023/24 and reallocate funds to finance the NHLC gym toilet and reception refurbishments and Hitchin Swim Centre Improvements projects.
Sub-Total: Leisure	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
Leisure - Hitchin Swim Centre									

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	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Enhancements to Hitchin Swim Centre facility	**65**	**-**	**65**	**0**	**0**	**0**	**0**	**0**	Proposed enhancements comprise: - Replacement of the windows of the outdoor pool building, which are over 20 years old and are not fit for purpose, at an estimated cost of £10k. - Replacement of the carpet in the reception area and lower lobby area, which is in poor condition and requires replacement to ensure customer satisfaction -£20k. - Replacement of the Fire Exit Doors in the pool hall and lower lobby - £15k - Replacement of the perimeter security fencing - £20k
Solar PV installation at Hitchin Swim Centre	**142**	**-**	**142**	**0**	**0**	**0**	**0**	**0**	The installation of solar arrays at the leisure facility would provide significant environmental benefits. Consideration to be given to any Government funding that can contribute toward the capital cost. The resulting saving in ongoing energy costs will accrue to the Council, rather than the Leisure contractor, but this saving may not be realised until after the management contract is re-tendered and a new contract is awarded. The Ongen / Energy Hub report carried out in March 22 at HSC detailed a solar PV budget with a 9 year payback. The existing Capital budget of £115k is lower than what is stated in the report. An increase of £27k is therefore proposed to ensure sufficient budget
Hitchin Swim Centre Outdoor Pool Boiler Replacement	**-**	**-**	**0**	**0**	**0**	**0**	**0**	**0**	Hitchin outdoor pool is currently operating with one boiler due to an irreparable fault with the second boiler. A replacement of the redundant boilers is proposed to ensure the facility remains operational. A new boiler and control panel was installed in 2022. The facility is operating efficiently with one boiler, therefore it is proposed to remove the existing £40k capital budget for the second boiler until future years (+10).
Hitchin Swim Centre Reception Toilet Refurbishment	**30**	**-**	**0**	**30**	**0**	**0**	**0**	**0**	To ensure customer satisfaction is maintained, a project to fully refurbish the male, female and disabled toilets in the reception area is proposed. The current condition of the reception toilets is considered acceptable. It is therefore proposed to defer the existing investment allocation from 2023/24 to 2024/25.
HSC: Boiler Replacement	**200**	**-**	**0**	**200**	**0**	**0**	**0**	**0**	Boilers are 15+ years old and are at the end of their economic lifespan. While repair works are carried out on a regular basis there is a risk that, if they are not replaced, they may fail which could result in pool closure.
HSC: Archers Member Change and Relaxation Area Refurbishment	**300**	**-**	**0**	**0**	**300**	**0**	**0**	**0**	Refurbishment of the changing rooms and relaxation areas at Archers Health and Fitness Club to ensure customer satisfaction is maintained.
HSC: Fitness Equipment Replacement	**300**	**-**	**0**	**0**	**0**	**300**	**0**	**0**	Replacement of the cardio and resistance fitness equipment to maintain membership levels and ensure customer satisfaction.
HSC: Change Village Refurbishment	**225**	**-**	**0**	**0**	**0**	**225**	**0**	**0**	Full refurbishment of the change village, which has not been refurbished since 2005.

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	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
HSC: Fitness Facility Refurbishment	**50**	**-**	**0**	**0**	**0**	**50**	**0**	**0**	Refurbishment of the gym area in preparation for the new cardio and resistance fitness equipment
HSC: Outdoor Pool Cover Replacement	**30**	**-**	**0**	**0**	**0**	**30**	**0**	**0**	The outdoor pool covers are over 20 years old and require replacement to ensure they remain efficient at reducing energy consumption and costs.
Sub-Total: Leisure - Hitchin Swim Centre	**1,342**	**-**	**207**	**230**	**300**	**605**	**-**	**-**	
Leisure - Letchworth									
NHLC Gym toilets and accessible toilet refurbishment	**40**	**-**	**40**	**0**	**0**	**0**	**0**	**0**	The gym toilets were last refurbished in 2006. To ensure customer satisfaction is maintained a project to fully refurbish the male/ female and accessible toilet is proposed.
NHLC Reconfiguration of reception area	**30**	**-**	**30**	**0**	**0**	**0**	**0**	**0**	Due to increased usage, e.g. from gymnastics and the likely impact on visitor numbers from the soft play development, a project to reconfigure the reception area is proposed to ensure customers can enter and exit the building efficiently.
Solar PV installation at North Herts Leisure Centre	**338**	**-**	**338**	**0**	**0**	**0**	**0**	**0**	The installation of solar arrays at the leisure facility would provide significant environmental benefits. Consideration to be given to any Government funding that can contribute toward the capital cost. The resulting saving in ongoing energy costs will accrue to the Council, rather than the Leisure contractor, but this saving may not be realised until after the management contract is re-tendered and a new contract is awarded. Due to increases in the prices of the panels and materials involved, an additional capital amount of £78k, equivalent to 30% of the existing capital allocation of £260k, is requested.
NHLC Boiler Replacement	**200**	**-**	**0**	**200**	**0**	**0**	**0**	**0**	The two boilers are 15+ years old and are at the end of their economic lifespan. Repair works are carried out on a regular basis, however there is a high risk if they are not replaced they may fail which could result in a closure. The installation of a Combined Heat Power (CHP) unit in 2020 has however reduced pressure on the boilers. Officers have since reviewed the Capital replacement project on an annual basis. The CHP continues to reduce pressure on the boilers. Officers have reviewed the boiler condition and recommend the replacement to be deferred from 2023/24 to 2024/25.
NHLC Dryside Changing Area	**-**	**-**	**0**	**0**	**0**	**0**	**0**	**0**	To ensure customer satisfaction is maintained a project to fully refurbish the male, female and disabled dry side changing areas is proposed. On 13 September Cabinet approved a £250k project to develop soft play at NHLC. On 22 September Council agreed the Cabinet recommendation to bring the £100k allocation for this project in 2023/24 forward to 2022/23 and make the necessary addition of £150k to the Capital programme in 2022/23 to fund the soft play project.

Description of Proposal	Total Project Investment 2023/24 onwards	Total Anticipated Funding from Grants or Other Contributions	Proposed Investment in 2023/24	Proposed Investment in 2024/25	Proposed Investment in 2025/26	Proposed Investment in 2026/27	Proposed Investment 2027/28	Proposed Investment 2028 - 2033	Anticipated Impact of Proposal (on Public/ Customers/ Staff/ Members/ Reputation/Revenue Budget etc.)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Letchworth Outdoor Pool Boiler Replacement	-	-	0	0	0	0	0	0	Letchworth outdoor pool is currently operating with one boiler due to an irreparable fault with the second boiler. A replacement of the redundant boilers is proposed to ensure the facility remains operational. A new boiler and control panel was installed in 2022. The facility is operating efficiently with one boiler, therefore it is proposed to remove the existing £40k capital budget for a second boiler until future years (+10).
NHLC: Interactive Water Feature	120	-	0	0	0	0	120	0	To ensure continued improvements and customer satisfaction within our leisure facilities, a project to transform the small pool into a highly interactive water play area for children of all age and ability groups is proposed. The proposed features for this area allow children to explore and discover their watery environment, and teaches them how to manipulate the flow of water through channels and interactive jets.
NHLC: Pool Flume Replacement	150	-	0	0	0	0	0	150	Investment proposal earmarked for 2028/29. The pool flume was installed in 1992 and due to its age a proposal to replace the fume with a newer model is proposed. This will ensure continued customer satisfaction for users of the leisure pool.
Sub-Total: Leisure - Letchworth	878	-	408	200	-	-	120	150	

Description of Proposal	Total Project Investment 2023/24 onwards	Total Anticipated Funding from Grants or Other Contributions	Proposed Investment in 2023/24	Proposed Investment in 2024/25	Proposed Investment in 2025/26	Proposed Investment in 2026/27	Proposed Investment 2027/28	Proposed Investment 2028 - 2033	Anticipated Impact of Proposal (on Public/ Customers/ Staff/ Members/ Reputation/Revenue Budget etc.)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Leisure - Royston Leisure Centre									
RLC swim showers and change village toilet refurbishment	**75**	**-**	**75**	**0**	**0**	**0**	**0**	**0**	The swim showers and change village toilets are over 17 years old. To ensure customer satisfaction is maintained a project to fully refurbish these areas is proposed.
RLC change village refurbishment – replacement of cubicles, lockers, vanity area and group change.	**150**	**-**	**0**	**150**	**0**	**0**	**0**	**0**	The change village is over 17 years old, to ensure customer satisfaction is maintained a refurbishment is proposed.
Royston Leisure Centre extension	**1,000**	**170**	**0**	**0**	**1000**	**0**	**0**	**0**	To extend the front of the Royston Leisure Centre. This will provide a new multi functional room and increase the size of the fitness room. The gym membership at Royston Leisure Centre is close to capacity and a recent latent demand survey demonstrated there is a demand to increase the size of this facility. By undertaking the capital work the Council will renegotiate the Leisure Management contract and SLL would increase their management fee to the Council. It is requested to defer this project from 2023/24 to 2025/26. Following the procurement of the Leisure Management Contracts in 2024/25, the Council will work with the leisure contractor in determining the final design.
Royston Leisure Centre Changing Village Refurbishment	**-**	**-**	**0**	**0**	**0**	**0**	**0**	**0**	The change village is over 17 years old and has not been refurbished since opening in 2005. A full refurbishment of the change village is proposed to ensure customer satisfaction is maintained. The current condition of cubicles and lockers in the change village is acceptable, however the swim shower area and toilets no longer meet customer expectations. Therefore it is proposed that the £225k allocation in 2023/24 for this project be removed and instead split into two separate projects; Swim shower and change village toilet refurbishment (2023/24) and Change Village cubicles, lockers, vanity area and group change refurbishment (2024/25).
Solar PV installation at Royston Leisure Centre	**241**	**-**	**241**	**0**	**0**	**0**	**0**	**0**	The installation of solar arrays at the leisure facility would provide significant environmental benefits. Consideration to be given to any Government funding that can contribute toward the capital cost. The resulting saving in ongoing energy costs will accrue to the Council, rather than the Leisure contractor, but this saving may not be realised until after the management contract is re-tendered and a new contract is awarded. Due to increases in the prices of the panels and materials involved, an additional capital amount of £56k, equivalent to 30% of the existing capital allocation of £185k, is requested.
RLC: Members Change Refurbishment	**150**	**-**	**0**	**150**	**0**	**0**	**0**	**0**	The members changing room is over 17 years old and has not refurbished since opening in 2005. To ensure customer satisfaction is maintained a proposal to fully refurbish the male, female and disabled areas is proposed.
Royston Leisure Centre Dry Side Toilet Refurbishment	**30**	**-**	**0**	**0**	**30**	**0**	**0**	**0**	To ensure customer satisfaction is maintained a project to fully refurbish the male, female and disabled dry side toilet areas is proposed.

Description of Proposal	Total Project Investment 2023/24 onwards	Total Anticipated Funding from Grants or Other Contributions	Proposed Investment in 2023/24	Proposed Investment in 2024/25	Proposed Investment in 2025/26	Proposed Investment in 2026/27	Proposed Investment 2027/28	Proposed Investment 2028 - 2033	Anticipated Impact of Proposal (on Public/ Customers/ Staff/ Members/ Reputation/Revenue Budget etc.)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
RLC: Fitness Equipment Replacement	**150**	**-**	**0**	**0**	**0**	**150**	**0**	**0**	Replacement of the cardio and resistance fitness equipment to maintain membership levels and customer satisfaction.
RLC: Fitness Facility Refurbishment	**50**	**-**	**0**	**0**	**0**	**50**	**0**	**0**	Refurbishment of the gym area in preparation for new cardio and resistance fitness equipment.
RLC: Boiler Replacement	**100**	**-**	**0**	**0**	**0**	**0**	**100**	**0**	Boilers will be 20+ years old and will be at the end of their economic lifespan. Repair works are carried out on a regular basis, however there is a high risk that, if they are not replaced, they may fail which could result in a closure.
Sub-Total: Leisure - Royston Leisure Centr	**1,946**	**170**	**316**	**300**	**1,030**	**200**	**100**	**-**	
Museum and Arts Development									
Museum and Commercial Storage Facility at Burymead Hitchin	**2,000**	**-**	**2000**	**0**	**0**	**0**	**0**	**0**	The Museum Store in Burymead is no longer fit for purpose. Objects from the collection are being held in make shift storage units, garages and dilapidated structures which are increasingly posing a health and safety risk to our staff. This project will involve relocating parts of the museum collection whilst the previously mentioned storage units are levelled and a new purpose built storage unit is built on the site. The storage unit will comprise of space saving roller racking, climate controlled spaces for fragile items of the collection and a small amount of office space for museum staff to utilise when on site. This office space could also be used under supervision to assist with third party research such as students or historians. The completion of this work would see the former Hitchin Museum and Letchworth Museum sites be completely cleared of museum storage. The capital budget includes an allocation for building a commercial storage venture on this site alongside the museum storage facility. Officers continue to seek grant funding towards the museum element of the project but applications made to date have not been successful. There is already a basic revenue budget for the Burymead site however this may need to be reviewed and increased to cover the upkeep and operation of a new, larger facility. Total project budget is £4million, with £2million capital allocation approved for 2022/23.
Sub-Total: Museum and Arts Development	**2,000**	**-**	**2,000**	**-**	**-**	**-**	**-**	**-**	
Parking Related Proposals									
Off Street Car Parks resurfacing and enhancement	**8**	**-**	**8**	**0**	**0**	**0**	**0**	**0**	Condition surveys have identified the need for a proactive programme of resurfacing for the council's off street car parking. Resurfacing, re-lining and enhancing the lighting enables the car parks to be used safely, reducing insurance claims for trips and falls, and allows the continued enforcement of the relevant traffic regulation orders. A. Planned maintenance programme should enable reduction in reactive repairs. B. No programme of repairs will require additional revenue maintenance funds for responsive repairs, and loss of income as Traffic regulation orders will become unenforceable.

Description of Proposal	Total Project Investment 2023/24 onwards	Total Anticipated Funding from Grants or Other Contributions	Proposed Investment in 2023/24	Proposed Investment in 2024/25	Proposed Investment in 2025/26	Proposed Investment in 2026/27	Proposed Investment 2027/28	Proposed Investment 2028 - 2033	Anticipated Impact of Proposal (on Public/ Customers/ Staff/ Members/ Reputation/Revenue Budget etc.)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Resurfacing of the top deck of the Lairage Car Park, Hitchin	346	-	346.3	0	0	0	0	0	The top deck of the Lairage Car Park needs resurfacing due to water ingress. Currently there is water ingress that is permeating through the surfacing and affecting two parking bays. To prevent cars being damaged the affected bays have been sectioned off. It is expected that this ingress could get worse over time, and could affect more parking spaces.
Hitchin Lairage car park - cosmetic coating to four stairwells and replacement windows and doors.	75	-	75	0	0	0	0	0	The current stair wells are aesthetically unsightly uncoated concrete, which are difficult to keep clean and stain. At least two of the four stairwells suffer anti-social behaviour, and this compounds the staining and cleaning requirements. The proposed coating will improve the appearance and make cleaning the stairwells less onerous. Replacement of windows and doors where required.
Parking Machines Replacement	300	-	0	0	150	150	0	0	Replacement of all parking machines over a 2 year period, with the roll out commencing in late 2025/26 . Please note that this is an estimated cost based on the current full replacement cost of a machine taken from the ESPO framework adjusted for inflation. The type of machine replacement would be dependent on the latest technology and this estimate may need to be reviewed nearer the time.
Sub-Total: Parking	729	-	429	-	150	150	-	-	
Waste Collection									
Refuse and Recycling Bins	810	-	90	90	90	90	90	360	Wheeled bins are considered to have on average a 10-12 year life. The bin replacement cycle for the purple residual waste bins means we are likely to see increased bin purchases over the coming years.
Waste depot facility co-located with a residual waste transfer facility	6,000	-	0	3000	3000	0	0	0	Herts County Council are planning to build a waste and recycling transfer station which could accommodate both North and East Herts Councils residual, food and garden waste. The existing NHDC depot is leased by our contractor and will not be fit for purpose within the next 5 years due to it's limited size and current buildings. The proposal is to build a purpose built depot and sub station co-located with HCC transfer facilities to provide operational efficiencies and support the aim of fleet decarbonisation. It is expected that the facility will use the latest PV technology to support the decarbonisation of the fleet.
Vehicle fleet replacement program (Waste and Recycling)	4,000	3,200	0	0	4000	0	0	0	The Council is committed to responding to the climate change emergency and will be looking at options for lower emission vehicles when the current vehicles need replacing at the start of the new contract period. At this stage it is not possible to know what will be the most appropriate options at the time and the cost of those options. Therefore the costs at this stage reflect a broadly equivalent replacement. The estimates will be updated in future years. It is anticipated that the cost of replacing the current fleet of vehicles will have increased due to inflation by the time of required purchase in 2025/26. The vehicles currently in operation are held on the Council's balance sheet under a finance lease arrangement embedded within the waste contract, with the associated charge for their use met from the Council's cash reserves rather than the General Fund. As such the annual saving to the General Fund is transferred to an earmarked reserve with the intention that this will be used to help finance the cost of the new vehicles.
Sub-Total: Waste Collection	10,810	3,200	90	3,090	7,090	90	90	360	
TOTAL	27,817	4,410	6,966	4,927	9,934	1,461	622	3,907	

CABINET
13 DECEMBER 2022

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: CHANGES TO PROPERTY COMPLIANCE SERVICES PROVIDED TO COMMUNITY BUILDINGS

REPORT OF: *Service Director: Resources*

EXECUTIVE MEMBER: *Finance and IT*

COUNCIL PRIORITY: SUSTAINABILITY

1. EXECUTIVE SUMMARY

The Council leases a number of buildings to community groups. These are mainly buildings referred to as Community Centres, but also includes a bowls club, pavilion and a day centre (referred to as Community Buildings in this report). Under the lease the community group are required to take on various property checking and compliance tasks. However, the Council has continued to provide almost all of these tasks through a property compliance contract. Some of these tasks are carried out on a monthly basis and do not require any specialist knowledge or training to carry them out. This report recommends that the Council stops providing these specific elements of the compliance service, and therefore the community groups (either their staff or volunteers) would need to take them on. As well as helping to keep under control the cost of providing the service, it would also lead to reduced vehicle travel, and the associated environmental benefits. The Council would still continue to provide those tasks that require specialist knowledge or training.

2. RECOMMENDATIONS

2.1. That Cabinet agrees that the Council will stop providing the monthly property compliance tasks (as detailed in paragraph 8.1) to community groups/ buildings (as detailed in paragraph 8.3).

2.2. That Cabinet agrees that the Council should continue to fund low value repairs in such a way so that community groups/ buildings do not lose out from changes to the way that the compliance contract is expected to operate from February 2023.

3. REASONS FOR RECOMMENDATIONS

3.1. *The decision helps the Council keep under control the cost of providing property compliance contract. It also leads to reduced vehicle travel and associated environmental benefits. It also reflects that the Council will focus its support (and resources) on providing those property compliance services that require specialist knowledge and training.*

4. ALTERNATIVE OPTIONS CONSIDERED

4.1. *It would be possible to retain services as they are, but that would come with an additional financial and environmental cost.*

4.2. *The Council could seek to withdraw all property compliance support. This is rejected due to the cost and complexity involved for each community group obtaining these services individually.*

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

5.1. *The community groups have been consulted on these proposals. This started with an e-mail in July seeking any feedback or questions. This e-mail was copied to Local Ward Councillors. This has been followed up with responses to any questions raised and also clarification e-mails.*

5.2. *Due to the timing some of the Area Committees (i.e. there was not a meeting in advance of this Cabinet meeting), feedback has been sought via e-mail to the Chair of the Area Committee. As Baldock and District do not have a Chair, the e-mail was sent to all Members of the Area Committee.*

5.3. *The feedback from the community groups is detailed in section 8. At the time of writing the report, none of the Area Committees have provided a response. Some of the Ward Councillors have supported their Community Centres, but to date there have not been any specific separate responses from Ward Councillors.*

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 6th September 2022.

7. BACKGROUND

7.1 The Council has compliance contracts which include the provision statutory building checks (e.g. gas checks, electric tests, water hygiene tests). The Council has been served notice by the company that currently provides this service, and the current contract will end in February 2023. Officers have therefore reviewed alternative contracting arrangements. Part of this involves determining whether the services should be delivered in the same way. The intention is that any new main contract would focus on building compliance, repairs and maintenance tasks, rather than regular building checks.

7.2 The Council has previously said that it will continue to provide the compliance contract free of charge to community buildings whilst it is still affordable.

7.3 The property compliance services that are provided to community buildings fall in to two broad categories.

- Checks and works that require professional knowledge, skills or training to carry them out. These cover a broad range of areas including gas, electrical,

legionella and fire, with frequencies of six monthly, annual, five or ten yearly, depending on the type of compliance check.

- Checks that do **not** require professional knowledge, skills or training to carry them out. These also cover a wide range of areas and include visual and other basic checks. These are carried out on a monthly basis, so would require at least 12 visits to the building across the year, each time by van.

7.4 Members of Cabinet will be aware of the financial position that the Council faces, and that there is a need to manage and reduce costs. The Council has also declared a climate emergency.

8. RELEVANT CONSIDERATIONS

8.1. After discussing with Executive Members, it was agreed that the lessees of community buildings would be consulted on changes to the compliance tasks that the Council would provide. The proposal would be that the Council would stop providing the following monthly checks (and therefore these would need to be taken on by the community group's staff or volunteers):

- General visual checks of the building in relation to guttering, leaks, window and door security, fire doors working properly, fire extinguishers in the right place and signed correctly, light bulbs and light fittings all ok. These are things that anyone who is in the building on a regular basis would be as able (if not more able) to spot as someone who only comes into the building occasionally.
- Meter readings- this is for the benefit of the community group as they will be the ones that will be paying the utility bills.
- Checking any plant/ boilers for leaks (just a visual check of anything that looks wrong and smelling for gas)
- Checking emergency lighting is working correctly- involves turning off the power to the lights (to be done during the day) and checking that the emergency lights turn on. Can then make sure that it is carried out when there isn't a booking.
- Water temperature checks- holding a thermometer under a running tap (again better to be carried out when known that the building was quiet). Not all taps have to be checked.

8.2 In advance of the tasks being taken on, training would be provided. Council Officers would also make available video guides and a way of recording the results of the checks. That would include what would constitute a failure and what to do if that happened. In most cases it would involve contacting the Council's Property Services Team.

8.3 An e-mail was sent in early July 2022 to a contact at each of the following buildings:

- Westmill Community Centre, Hitchin
- Hitchin Town Bowls Club
- Jackmans Community Centre, Letchworth Garden City
- Mrs Howard Hall, Letchworth Garden City
- St Michaels Community Centre, Hitchin
- King Street Day Centre, Royston
- Great Ashby Community Centre
- Walsworth Community Centre, Hitchin
- Baldock Community Centre
- St Johns Community Centre, Hitchin

- Coombes Community Centre, Royston
- Grange Community Centre, Letchworth Garden City
- King George V Pavilion, Hitchin (part of the building only, as the majority is not covered at all by the Council)

8.4 Originally the request was for any responses (either feedback or questions) by the end of August 2022, but this was extended to the end of September 2022. Most of the community groups provided a response, with a number of questions being raised. The questions were generally answered quite quickly. Where responses were not received, attempts were made to try other routes to contact the community groups. The responses received were as follows (specific responses that have been provided are shown in red):

Property	**Content with proposal?**	**Comments/ issues**
Westmill CC	Yes	Caretaker already does most of the tasks, will add water checks to duties.
Hitchin Town Bowls Club	Yes	Is there a need to calibrate equipment? The only equipment would be a thermometer and should be no need to calibrate, unless readings seemed odd. Does it create a liability issue?
Jackmans CC	Neutral/ Yes	Officers went to meet with them and despite initial concerns, were generally content with what was being proposed.
Mrs Howard Hall	No	Only one manager and P/T caretaker. Busy building. Like the reassurance of te current contractor coming in. Query over liability.
St Michaels	No	Query over faults and getting these repaired. These could still be reported to us and we can arrange repairs, although costs over £100 would be recharged (as per existing arrangements). Concerns over getting the staff to do it, Taking the view that they couldn't ask volunteers. Query over liability and impact on insurance.
King Street Day Centre	No	Will take on, but only if we confirm that they would not take on any liability.
Great Ashby	Yes	Query about impact on insurance.
Walsworth	Yes	Raised some issues on behalf of other Community Centres.
Baldock Community Centre	No	Concern about responsibility being taken on. Who will make the decision on necessary repairs. The training will detail what would constitute a compliance failure and what to do if that happens. The Council can still arrange repairs, but these will still need to be funded by the community group when above the set limit. Who will provide the equipment? The only test that requires any equipment is a thermometer for the water temperature checks. The Council can provide this if required. How will it be made sure it is safe to carry out any checks in difficult to access areas. If there are any, this will be covered as part of the training. Query over saying that the emergency lighting test is a bit more involved. This was relative comment. The test involves

		turning off power to the lights, and then checking the emergency lights come on.
St Johns	Generally yes	Content to take on most of the tasks, but some concerns over gas. The gas checks are general inspections for obvious faults only.
Coombes	Mixed	Reluctant to take on doing water temperature checks due to the time involved. Not prepared to do emergency lighting checks as believe that it would require using a ladder at the top of a flight of stairs. Emergency lighting checks would not require the use of a ladder as just need to be able to see if the light came on. Our estimate is that water checks would take a maximum of 30 minutes per month. Not all outlets would need to be checked- just those closest to and furthest from a water source (e.g., mains water coming in or water heater). Query over whether the emergency lighting test would include a battery run-down test. Confirmed that this would still be provided through a Council contract, and is an annual task.
Grange		No response at time of writing
King George V	Yes	May have some questions, but broadly supportive.

8.5 There were a few comments about insurance and liability. As the responses are more detailed, these are covered in the following paragraphs.

8.6 In terms of insurance. Insurers would expect a level of maintenance to be in place for all the buildings that they cover. They specifically always expect the 5 year fixed wiring tests to be caried out and would expect regular maintenance of any boilers. Both of these items will continue to be provided by the Council. Beyond that they would expect the Centres would call on qualified trades people to carry out any work and keep the property in a good state of repair. The Centres would still be able to report any faults to the Council and we would arrange a qualified contractor to carry out any repairs. As currently, this would be subject to the recharging of some costs.

8.7 The matter concerning liability is likely to be relevant if something were to 'go wrong' (e.g. injury or damage as a result of property fault). The community groups (as lessees) as a matter of course will be under a duty to take reasonable care to maintain the building(s), including reasonable checks (in terms of scope, frequency and acting upon them) of that building, and liability is likely to arise for failure to comply with the same, given their obligations to exercise reasonable care within the course of their duties. At the moment (if a failure as outlined above were to happen) the community groups would be liable as they are responsible for the buildings and the safety of any staff and users. If any failure was down to checks that are currently undertaken by the Council's compliance contractor, then that liability may also extend to the Council/ the Council's contractor. That extension of liability may be limited if it could also be shown that the community group could also have reasonably been expected to spot any fault, especially as their staff/ volunteers are regularly on site.

8.8 Under the proposed arrangements, the checks that the Community Centres would take on, would be ones that they would not require any specialist skills or equipment. The staff/ volunteers would also receive training and guidance on how to record the results of those checks. As above, if reasonable care was taken in carrying out and acting on

the results of those checks, then there should be no liability even if something was to go wrong.

8.9 There have been a few references in this report to the costs of repairs. Under the current compliance contract, the costs of labour associated with some smaller repairs is generally covered within the overall contract sum. In those cases, the Council pays the contractor for the costs of any materials. Where the costs of those materials or any labour costs not covered within the main contract sum (for any individual repair) is over £100 then the Council will recharge those additional costs on to the lessee (for those properties under a full repairing lease, the arrangements for other lease types will be determined by what is stipulated in that lease). Note that for full repairing leases, this is above what the Council is required to fund by the lease, which would make the lessee liable for all costs. The Council will seek permission to continue with any works that will be subject to a recharge, as the community group have the right to get the work done by another contractor, although they would then pay the full cost.

8.10 Baldock Community Centre asked if we would increase that £100 limit to recompense the community groups for the savings that we would be making. It is not the intention for the Council to do that, as this change (as well as the environmental benefits) is helping to mitigate some of the increased costs of this contract. The service being provided by the Council is still well above what it is required to provide.

8.11 It is likely that under a new contract arrangement the Council would not choose to include labour costs for repairs within a fixed contract sum and instead choose to pay them on a usage basis. Therefore, if the £100 limit (as per paragraph 8.9) was retained then the community groups would end up paying more towards repairs (as the combination of labour and materials would be far more likely to breach that total). It is therefore proposed that the limit will be increased, but only with the intention of trying to make sure that the community groups are no worse off (and the Council is no better off). It is likely that the limit would initially be set at around £400, but would be reviewed on a quarterly basis. Any changes to the limit would not be retrospective, so a community group would never be charged for a repair unless they had authorised it (and the estimated charge for it) in advance. Cabinet are asked to confirm if they agree to this approach, rather than retaining the £100 limit.

9. LEGAL IMPLICATIONS

9.1 This decision relates to lessees taking over those duties to which they have already been bound, through their lease. On that basis the decision could have been taken via Officer delegation, i.e. by the Service Director: Resources. However, the constitution (under rule 14.6.2 (e)) allows those decisions that could be taken by an Officer, to be considered by Cabinet. Executive Members have expressed a preference to use that decision making route. As the decision affects more than two wards, it is therefore a Key Executive decision.

9.2 Paragraphs 8.7 and 8.8 cover the issues over legal liability in relation to compliance.

10. FINANCIAL IMPLICATIONS

10.1 It is estimated that this proposal would save the Council around £15k, against what the costs would otherwise have been. It is still expected that the costs of compliance services will increase by around £30k compared to the current contract.

11. RISK IMPLICATIONS

11.1. The community groups taking on these compliance tasks, does slightly reduce the risk to the Council. However the Council is putting in place measures to continue to reduce the risk for all parties, e.g. by providing training and providing advice and support if compliance checks do not pass, or there is any uncertainty.

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. Whilst the community buildings themselves are likely to be used by individuals or groups who have a protected characteristic, this proposal is about the carrying out of property compliance checks by community building staff and/or volunteers.

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. This decision is seeking to reduce the miles travelled by contractors working on behalf of the Council. Therefore it is expected to have a positive environmental impact.

15. HUMAN RESOURCE IMPLICATIONS

15.1 There are no direct HR implications on Council staff arising from this report.

16. APPENDICES

16.1 *None.*

17. CONTACT OFFICERS

17.1 *Ian Couper, Service Director: Resources*
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18. BACKGROUND PAPERS

18.1 *None*

CABINET
13 DECEMBER 2022

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: SINGLE TENDER IN RELATION TO PROPERTY COMPLIANCE CONTRACT (DRAFT)

REPORT OF: *Service Director: Resources*

EXECUTIVE MEMBER: *Finance and IT*

COUNCIL PRIORITY: SUSTAINABILITY

1. EXECUTIVE SUMMARY

To seek Cabinet approval to use a single tender process for the award of a contract to HTS Property and Environmental Limited Ltd (hereafter referred to as HTS), for a property compliance contract. This will be for a 2 year contract with the option for a 2 year extension. This is being referred to Cabinet due to the value of this contract. The reason for requesting a single tender is because it allows the development of a sustainable contact, in a market where the Council has experience of unsuccessful contracts. Detailed analysis has been carried out to determine that this contract is likely to provide good value to the Council, and therefore it is in the Council's best interests to engage this supplier (as per the Council's Contract and Procurement Rules). Whilst the Service Directors for Resources and Legal & Community could authorise this, it has been referred to Cabinet due to the value of the proposed contract.

2. RECOMMENDATIONS

2.1. That Cabinet agrees to the use of a single tender (under the Council's Contract Procurement Rules) *for the award of a contract to HTS Property and Environmental Limited Ltd, for a property compliance contract.*

3. REASONS FOR RECOMMENDATIONS

3.1 It is expected that working with HTS will deliver the following benefits:

- The proposal is to form a collaborative working partnership that is focused on excellent service delivery and cost control, whilst ensuring the arrangement is sustainable for both parties over the longer term. This should avoid a repeat of the contract failures that have been what has transpired over the last two contracts.
- HTS have a large directly employed workforce of trade operatives, administration and management staff, who have the skills, knowledge and ability to deliver the works, and already provide similar services to Harlow Council.
- Elements of the way that the contract is delivered can be developed collaboratively by both parties to ensure the most efficient and cost effective approach.

- HTS have a supply chain with access to both materials and sub-contractors to support delivery.
- Whilst not a local North Herts based supplier, HTS' values are aligned to the North Herts Council's values, as demonstrated by their social and environmental activities. (see sections 13 and 14 below).
- Being wholly owned by Harlow Council, any profits that HTS generate are ultimately fed back into providing public services.

4. ALTERNATIVE OPTIONS CONSIDERED

4.1 Due to the previous contract failures, a pre-procurement exercise was conducted in July 2022 to seek feedback from potential suppliers. Some doubts were raised regarding the attractiveness of the contract, given the low value and relatively large geographical spread. It had been hoped that the pre-procurement exercise would provide insight in to how to shape a contract that would make it more appealing to the market. Instead the result was that the Council would be likely to end up in a similar position to previous contracts. As explained in section 7 and paragraph 11.1 this is not an outcome that was desired.

4.2 HTS were the only not for profit organisation that attended the pre-procurement event, and the only supplier that suggested a collaborative approach. This led to discussions to test out what a collaborative approach would look like. It is for this reason that the traditional tendering process was rejected.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

5.1. As detailed in paragraph 4.1, a market engagement exercise was carried out with potential suppliers.

6. FORWARD PLAN

6.1 The award of this contract is a key Executive decision that was first notified to the public in the Forward Plan on the 4th November 2022.

7. BACKGROUND

7.1 The Council has a statutory duty to provide building/premises compliance and maintenance to ensure the safe use of office and public accessible buildings. This primarily involves the maintenance of and repairs to properties, and plant and equipment within those buildings.

7.2 For the last 12 years the Council (in collaboration with other local authorities) has awarded building compliance, maintenance, and repairs to a single supplier via a competitive tender route, and on each occasion a large national contractor has been appointed. Each of these contracts has had their difficulties in terms of quality, delivery, and cost. The most recent contract was awarded in February 2019. The contract was a five year contract with an option to extend for a further two years. From early stages of the contractor struggled to provide a quality service and raised concerns over the financial viability of the contract. After a year, the two other local authorities withdrew from the framework adding additional financial pressure, ultimately resulting in the contractor serving the Council with notice to terminate the contract early, citing the contract was losing money and was not financially viable.

7.3 In this and previous compliance and repairs contracts the contractor heavily relied on subcontractors. This resulted in poor service and a high administrative burden being placed on the Council.

7.4 With the buoyancy within the building/construction industry the Council has struggled to appoint contractors to undertake planned and ad-hoc works. Our main contractor too have struggled to provide these additional services.

8. RELEVANT CONSIDERATIONS

8.1 In an attempt to avoid a similar experience of early contract termination a piece of work to consider alternative delivery models was undertaken, which looked at breaking down some of the works into smaller packages. This included elements that relate to checks on the building. A pre-procurement market engagement exercise was subsequently undertaken for the repairs and preventative maintenance elements, at which point the Council were approached by HTS with a proposed collaborative approach. Legal and procurement advice was obtained which confirmed that whilst there was an element of service to this contract in respect of compliance testing, the majority of this was a public works contract this would be below the regulated procurement threshold, so a single tender could be considered (subject to successful discussions with HTS). Where the works element is considered more dominant in the Specification of the requirement under the contract (over the Service element), then the works element takes precedence and the Contract falls under the definition of public works for the purposes of the PCR 2015.

8.2 A number of meetings with HTS have taken place. This has generated costed proposals, based on a pricing structure that is fair to both parties. The first building block of the contract price is the cost of the operatives that will be doing the work (various tradespeople), including the cost of travel, overheads and a small profit margin. HTS has provided us with full details of how this is made up and that has allowed us to benchmark against other information (including salaries for different tradespeople, existing contract prices and chargeable rates from other contracts we are aware of) to make sure it was reasonable. This has shown that they are proposing a very fair market rate. The next step would then usually either be to apply a fixed number of hours to each job (which you then multiply by the hourly rate to get the total cost) or have an arrangement where each job is charged based on the hours it takes (making the contract very variable in cost). The former means that if the assumed hours turn out to be wrong then someone loses out (or the contractor prices in a lot of risk) and the latter can mean lots of arguments about how long each job takes. In discussion with HTS, a middle ground has been established where there will be a target time for each job type, which is what the costs will be based on. If a variation to the target time can be justified, then there is a contract meeting about whether to agree that variation to the target time. Where materials are required then these will be charged on at cost.

8.3 The above shows that HTS have a willingness to be open and transparent.

8.4 The Council's current contractor are either unable to, or their costs are too high, to undertake any additional larger planned or ad-hoc repairs. This was a benefit that was supposed to have been achieved through the contract. It is anticipated that HTS will be able to undertake some of this work via the contract, either through predefined

schedule of rate items (in line with above) or by open and transparent job costing or quotations (where the work does not match up to the schedule of rates). The Council is not obliged to use HTS for these works, so any risk that the schedule of rates is too high is reduced by this. The benefits of using HTS for this work is that it is very hard to get contractors to even quote for certain ad-hoc works, and even when they do, the prices can be very high.

8.5 Ordinarily as part of the single tender process the modern slavery question is asked and what a contractors compliance is with that in terms of procurement. Whilst the turnover of the company is below the required level, HTS' commitment to the Act is demonstrated by the following: https://www.htsgroupltd.co.uk/modern-slavery-act/

9. LEGAL IMPLICATIONS

9.1. As the maximum contract value of £1,227,520 is below the World Trade Organisation (WTO)'s Government Procurement Agreement (GPA) threshold, the Public Contracts Regulations 2015 (PCR) do not apply to this procurement and the contract does not need to be competitively tendered in accordance with these Regulations.

9.2 The entering into contracts below the regulation threshold must comply with the Council's Contract Procurement Rules (CPRs) [Part B, Section 20 dated 20 January 2022] and Rule 14 of the CPRs sets out the circumstances in which a Single Tender can be considered.

9.3 Rule 14.1 (which relates to contracts below the WTO GPA Threshold) states that:

"Below WTO GPA Threshold

14.1 A single tender may be obtained when:
(a) Prices are wholly controlled by trade organisations or government order and no reasonably satisfactory alternative is available; or
(b) The works, goods, or services to be supplied consist of repairs to or the supply of parts or upgrading of existing proprietary machinery, equipment, software, hardware or plant and the repairs or the supply cannot be carried out practicably by alternative contractors; or
(c) Specialist consultants, suppliers, agents or professional advisors are required and:
(i) Evidence that there is no satisfactory alternative; or
(ii) evidence indicates that there is likely to be no genuine competition; or
(iii) it is in the Council's best interest to engage a particular consultant, supplier, agent or advisor; (Contact Procurement and Legal Services for advice) or
(d) Products are sold at a fixed price and market conditions make genuine competition impossible."

Rule 14.1 C (iii) applies in this case. The rules allow for a single tender to be entered into under clause 14.1 C (iii) as it's considered in the Council's best interests to appoint this supplier for the reasons outlined within this report.

9.4 Single Tenders with a contract value below the WTO GPA threshold must have prior written approval of the Service Director responsible, the Service Director: Legal and

Community and the Service Director: Resources [Rule 14.2 of CPRs dated 20 January 2022]. Whilst not specifically referenced in the Contract and Procurement Rules, section 14.6 e) of the Constitution provides that "[a]n officer may always refer a delegated decision to the Cabinet or Council or any of their respective Committees rather than make the decision". Due to the value of this contract, the decision is being referred to Cabinet.

10. FINANCIAL IMPLICATIONS

10.1 The estimated value of this contract over the maximum 4 year period (if extended from the initial 2 years) is £1,228k (+ inflationary uplifts). This is based on an annual contract sum in 2023/24 of £307k. This will be within the available budget, subject to Council agreeing the proposed increase (proposed in the 2023/24 budget papers) of £30k. This increase reflects that there has been no inflation applied to this budget over the period of the existing contract. This increase is less than the prevailing inflation over that period.

10.2 The accounts of HTS have been reviewed to assess their viability as a company. In each of the last 4 years (up until the latest publicly available accounts for the year to 31 March 2021) they have had a turnover in excess of £20m and have achieved a gross profit margin of over 10%. This provides reassurance that the Council's contract would not be of a size that it would cause delivery issues, and also that the company have a realistic pricing model. Whilst in 2021, the company made a small loss (of £9k) in each of the three previous years they made a pre-tax profit in excess of £500k. This means that the company has retained earnings of over £1.3m. This level of retained equity would provide a lot of protection against any future risks and issues. The company has a current ratio greater than 1, and due to low stock holding, also has an acid test ration greater than 1. Both of these demonstrate that the company is able to manage its cashflow, and therefore has no liquidity concerns. A credit report has been obtained for the company which scores the company as low risk, and recommends a contract limit of up to £2.7million.

11. RISK IMPLICATIONS

11.1 The risk of not taking this approach is that it would be very likely to lead to the reappointment of a national contractor, which over previous contracts has not proved to be the best option. The pricing of these contracts has focused on the ultimate delivery of the repairs and maintenance tasks, with less emphasis on ensuring that they are completed in a timely manner and ensuring that the Council is aware of when they have been completed. For buildings where the Council's Property Services team do not have day-to-day involvement, this makes it extremely difficult to keep building users informed of what is happening.

11.2 There are procurement risks with awarding this as a single tender, in terms of challenge from any 'unsuccessful' contractors. However the contract is under threshold and single tenders are part of the Council's Contract and Procurement Rules. The Council will further reduce this risk by publishing a voluntary transparency notice and following a stand-still period when the contract is awarded. This risk has been assessed as very low.

11.3 There is a risk that this contract approach will not be right either. However the impact of this is considered to be relatively low for the following reasons.

a) HTS are wholly owned by Harlow Council

b) HTS have the resources and experience in place to deliver the contract as they currently provide similar services to Harlow Council.
c) By having a year one no fault break clause this mitigates risks to a maximum of two years.
d) Contract efficiencies and savings can potentially be achieved via a collaborative approach.
e) The Council does not have to use HTS to deliver any larger planned or ad-hoc repairs.

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 arising from this report.

13. SOCIAL VALUE IMPLICATIONS

13.1 As the recommendations in the report relate to a contract with a value above £100,000 but below WTO GPA threshold, the go local policy does not apply. It has nevertheless been considered, however during the pre-procurement exercise there was little interest from local contractors who we consider have the expertise to deliver the contract.

13.2 HTS have a track record of delivering social value. Some examples are listed below.

- Of the activities which can be monetised HTS created £383,185 social (wellbeing) value and £171,630 of public sector costs savings and economic benefits as well as making £90,000 worth of donations and staff time to charitable and community causes in the 2020-21 year.

- HTS provide work experience and apprenticeship opportunities to people in Harlow. In the last year, HTS have had a number of work experience placements and currently have seven apprentices going through training in mechanical, plumbing, carpentry and finance disciplines.
- HTS are a Living Wage accredited employer.
- Any job vacancies are advertised locally, and HTS have also attended job fairs to promote opportunities to disadvantaged people.
- HTS is a disability confident employer which means a commitment to recruiting, retaining, and developing disabled people. Currently 10% of the workforce are identified as disabled well above the minimum statutory requirement threshold of 3%.
- HTS have recently partnered with Rainbow Services to enhance their offering; particularly in providing work experience placements to people who have found it difficult to thrive in an educational environment and need further support in this area. To date HTS have provided work experience placements to 140 students from the local area.
- HTS have developed a good working relationship with Jewson, who are now co-located on

their site in central Harlow. This provides HTS with quick and easy access to materials. HTS also jointly sponsor Parrington Football Club with Jewson and have joint Apprenticeship arrangements where apprentices can get experience working with both organisations.

13.3 Whilst HTS will not be able to replicate all the above in North Herts, they will look to apply the same principles. The extent to which this is achieved will partly depend on the volume of larger and ad-hoc works (within the contract total) that the Council places with HTS.

14. ENVIRONMENTAL IMPLICATIONS

14.1. An Environmental Impact Assessment has been undertaken. The actions have been considered and there are mitigation measures that can be applied to the contract as detailed below.

- HTS are certified to ISO 14001, the international standard for environmental management. In 2018 they won a Green Apple award for their environmental management regarding fuel efficiency and safe driving. Green Apple is an independent organisation that recognises and rewards environmental best practice globally.
- HTS is a licensed waste carrier and have a waste processing facility at their Harlow office. Across all workstreams, they currently recycle 70% of waste. This is within their annual target under ISO 14001. The waste that does go to landfill is generally household waste and unrecyclable goods from house clearances. This would not apply to the contracted works that they would do for North Herts.
- HTS are currently procuring three electric vans this year and look to increase this year on year in line with the availability and costs of new technology and the development of the EV charging points.
- Working collaboratively with HTS, the Council will seek to reduce the number of maintenance visits and thereby reduce CO2 emissions from vehicles.

15. HUMAN RESOURCE IMPLICATIONS

15.1 There are no direct HR implications on Council staff arising from this report.

16. APPENDICES

16.1 *None.*

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18. BACKGROUND PAPERS

18.1 This recommendation is supported by correspondence with HTS detailing how their rates have been derived, and discussions around changes to those rates. It is also supported by analysis of their pricing proposals and comparison with other sources of costing information to show that their pricing provides best value. This information would be exempt Part 2 information by virtue of Schedule 12A para 3, but will be made available to Cabinet members if requested.

CABINET
13 DECEMBER 2022

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: CCTV CAMERA LOCATIONS AND INVESTMENT

REPORT OF: *Service Director: Resources*

EXECUTIVE MEMBER: Community Engagement and *Finance and IT*

COUNCIL PRIORITY: A BRIGHTER FUTURE TOGETHER

1. EXECUTIVE SUMMARY

The Council currently has the following CCTV cameras:

- 43 town centre cameras, that are monitored on a proactive basis
- 16 cameras in the Council's two multi-storey car parks (in Letchworth and Hitchin), which are monitored on a reactive basis
- 5 cameras covering green space and Council buildings, which are monitored on a reactive basis
- 5 mobile cameras which can be used to target locations with crime issues, which are monitored on a reactive basis

The Council's cameras are monitored by a control room based in Stevenage, through the Hertfordshire CCTV Partnership. The Partnership is made up of East Herts Council, Hertsmere Borough Council, North Herts Council and Stevenage Borough Council.

This work has been undertaken (with the Council's Community Safety team, Police and the CCTV Control Room Managers) to review the location of CCTV cameras, and make recommendations as to where cameras should be retained, removed or added.

This review also considered the impact of Letchworth Garden City Heritage Foundation seeking to withdraw from funding of CCTV cameras in Letchworth Town Centre.

2. RECOMMENDATIONS

2.1. That Cabinet notes that Letchworth Garden City Heritage Foundation are looking to withdraw from the funding of CCTV cameras in Letchworth. That Cabinet agree in principle to the taking on of Letchworth cameras (and the costs involved), but seek a continuing contribution from the Letchworth Garden City Heritage Foundation.

2.2. That Cabinet agrees to the retention, removal and addition of CCTV cameras as set out in Table 1 of this report.

2.3. That Cabinet delegates to the Service Director: Resources, in consultation with the Executive Member for Finance and IT, a decision on the number of new mobile CCTV

cameras that can be afforded within the existing overall revenue budget (making an allowance for monitoring costs and the costs of moving cameras).

2.4. That Cabinet notes that additional capital investment in CCTV cameras will be needed and that this will be added to the capital budget for 2023/24 (subject to agreement by Full Council in February)

3. REASONS FOR RECOMMENDATIONS

3.1. *The Council has chosen to provide CCTV cameras to help make the District a safer place to live and work. It also supports the Council's Community Safety role, although the primary role sits with the police. This report therefore considers the optimum location for CCTV cameras based on evidence and professional knowledge.*

4. ALTERNATIVE OPTIONS CONSIDERED

4.1. *The cameras could all be retained in their current locations, but the balance of evidence is that there are certain cameras that could be better located.*

4.2. *The Council could choose to stop all provision of CCTV cameras, as the primary users of the cameras are the police. This is discounted as the Council does have a role in relation to community safety and has historically funded the cameras.*

4.3. The Council could choose not to take on any of the cameras that the Letchworth Garden City Heritage Foundation are looking to stop funding. This is rejected as it would leave a large gap in provision in Letchworth that would not be consistent with the other towns.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

5.1. The police and the CCTV control room managers have been heavily involved in constructive discussions on where cameras can be removed (due to low usage and low incidences on crime) or where there is a recommendation that a new camera should be installed. These discussions made use of crime discussions, CCTV camera activations and also local knowledge and experience.

5.2. Following that initial work the proposals were discussed with those North Herts Members that make up the CCTV Joint Executive. They listened to the evidence from the discussions and determined which proposals should be taken forward.

5.3. For the proposal in relation to Knebworth, the two Ward Members were e-mailed to ask their views. Cllr Nash responded to confirm that the proposal made sense.

5.4. For the proposals that relate to car parks, the Executive Member (and Deputy) covering parking were consulted. The Executive Member confirmed that they were content with the proposals.

5.5. For all the other proposals, the Area Committees were consulted via the Chair of each Committee. For Baldock and District (where there is no Chair) all members of the Committee were written to directly by the Service Director: Resources.

5.6. One Baldock member asked if the coverage of Pepper Court could be improved. There is not a way to use existing locations to get better coverage, although both ends of the road are covered. From a community safety perspective there are not many issues in that area, but this will be kept under review and could look at mobile camera deployment.

5.7. One Hitchin member suggested that there should be an increased number of cameras in Woodside Car Park. They also reported some concerns from residents about safety in Biggin Lane and Portmill car parks. They noted that this could be achieved through use of mobile cameras to provide a targeted response.

5.8. Royston Committee supported the addition of a camera at Priory Memorial Gardens. They also made suggestions of where mobile cameras could be deployed. These will be reviewed by the community safety team.

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 6th September 2022.

7. BACKGROUND

7.1 The Council currently has the following CCTV cameras:

- 43 town centre cameras, that are monitored on a proactive basis
- 16 cameras in the Council's two multi-storey car parks (in Letchworth and Hitchin), which are monitored on a reactive basis
- 5 cameras covering green space and Council buildings, which would be monitored on a reactive basis
- 5 mobile cameras which can be used to target locations with crime issues, which are monitored on a reactive basis

7.2 The Council's cameras are monitored by a control room based in Stevenage, through the Hertfordshire CCTV Partnership. The Partnership is made up of East Herts Council, Hertsmere Borough Council, North Herts Council and Stevenage Borough Council.

7.3 This project was first identified as part of a budget review process which noted the amount that was spent on CCTV, and wanted assurance that this money was being well spent in ensuring that the level of coverage was right.

8. RELEVANT CONSIDERATIONS

8.1. This work has involved input from the Council's Community Safety team, Police and the CCTV Control Room Managers. It has made use of various data sources including police crime data, camera incident logs maintained by the CCTV control room and locations mentioned in the VAWG (Violence against Women and Girls) Personal Safety Survey. It also made use of local knowledge from those involved. A detailed meeting was held to compare the data sources with current camera locations (which can be found on the CCTV partnership website https://www.hertfordshirecctv.co.uk/public-space-cctv-coverage/). The review only considered cameras that are funded by the Council. So it excludes the cameras along Coombes Hole in Royston which are funded by the County Council. It also initially excluded the cameras in Letchworth that are funded by the Heritage Foundation.

8.2. At a meeting in October, the Chief Executive of Letchworth Garden City Heritage Foundation informed us that they were planning to cease their investment in CCTV cameras in Letchworth town centre. The Heritage Foundation's income had been considerably affected by the Covid-19 pandemic, and they need to identify ways to reduce their costs. They did not feel that investment in CCTV was aligned to their core objectives, does not provide them with value for money, that they already provide town centre funding via Letchworth BID and they feel that the cameras would be funded by the Council in other towns (i.e. there is no additionality). The CCTV cameras had originally been linked to capital funding provided by Hertfordshire County Council to improve Letchworth town centre. When the Heritage Foundation approached the County Council, they agreed that the passage of time since that funding was provided, meant that any previous obligation around CCTV could be brought to an end. Hertfordshire County Council said that the Heritage Foundatioon should consult with us (District Council) and the police. The meeting in October formed the start of that consultation, and a subsequent meeting was arranged with the police to form the consultation with them. It was stated that Heritage Foundation intend to end/ reduce their funding from June 2023. The initial Officer response was to ask if the Heritage Foundation would be willing to continue some form of ongoing contribution. The response was that this would be considered.

8.3. The Letchworth Heritage Foundation currently fund 12 cameras in the centre of Letchworth. These are generally the cameras that are on inside the area bordered by Station Road, Norton Way South, Gernon Road and Broadway. The exceptions to this are:

- The camera at the north end of Broadway Gardens (District Council funded camera)
- The camera at the junction of Gernon Road and Gernon Walk (District Council funded camera)
- The camera on Norton Way South, overlooking Howard Park (taken on by District Council, previously funded by Heritage Foundation)
- The camera at the junction of Station Road and The Wynd (being decommissioned, previously funded by Heritage Foundation)
- The cameras in the multi-storey car park (District Council funded cameras)

8.4. The table below (table 1) summarise the proposals from the officer discussions, that have been confirmed by the Members of the CCTV Joint Executive as being appropriate to be considered by Cabinet. Each camera (and locations where there was not currently a camera) was discussed in the context of police data, CCTV control room camera activation data and local knowledge. In general cameras were found to be in the right locations, so these summaries only cover cameras where a decision is sought. Where a camera is proposed to be removed it is because the data and intelligence does not support their being a camera in that location. In some cases this is because the camera was covering a building (e.g. a public house) that is no longer used for the same purpose. For the proposed camera removals in car parks it reflects that theft from parking machines (as they hold less cash due to changes in payment methods) and from cars, are much less likely.

8.5. Data from the Violence Against Women and Girls (VAWG) survey was also considered. This helped influence a number of decisions about retaining cameras (e.g. Hitchin Train Station, Baldock Train Station and Ransoms Recreation Ground, Hitchin) and the addition of a new camera (Windmill Hill, Hitchin). For the other key areas identified by

the survey it was considered that CCTV cameras would not provide a practical solution. This was the case for:

- Greenway, Letchworth- impractical to cover the whole Greenway due to size and most of it is rural (no power for a CCTV Camera and no lighting).
- Jackmans Estate, Letchworth- based on police information the areas where there would be concerns would be the areas that are unlit, so would be a much bigger project involving the County Council.
- Norton Common, Letchworth- impractical to cover the whole area due to size and due to it being open space (generally no power for a CCTV Camera and no lighting).

8.6. The review has also considered that the majority of our cameras are relatively old. This means that better technology (including the move to digital cameras) is now available, which generally means better picture quality from further away. For example, it might be possible to get similar coverage from one camera, instead of the existing two cameras. The other advancement in technology is how the cameras are linked back to the control room. For our current cameras they each have an individual data link to send the pictures to the control room (and allow the control room to move the camera). Modern cameras that are sited close together can send pictures wirelessly and use fewer data links. As detailed in section 10, data links are fairly expensive so this can generate savings.

Table 1

Proposal detail	**Reason**	**Likely Impact on camera numbers**
New camera on Windmill Hill, Hitchin	Identified in VAWG survey. Congregation point for protests.	+1
Removal of camera at Portmill Lane car park	Reduction in crime in car parks	-1
Removal of camera at Biggin Lane car park	Reduction in crime in car parks	-1
Removal of camera on Bancroft near Orford Lodge surgery, Hitchin	Sufficient coverage from other cameras in the area	-1
Woodside Car Park, Hitchin	Initial conversations were that (in line with the proposals on other car parks) the current camera would not be justified, based on crime and CCTV activation data. However proposal is to retain based on concerns that have been raised with Councillors. However there is not a justification to add another camera.	0
Removal of camera at south end of Broadway Gardens, Letchworth	Events on Broadway Gardens take place at the north end (where there also a camera)	-1
Removal of camera on Gernon Road, Letchworth	Used to cover a pub that is no longer there	-1
Confirm taking on of camera covering Howard Park, Letchworth	This was a camera that the Heritage Foundation (prior to current proposal to stop all CCTV funding) determined was not necessary. The Council took it on as a temporary measure as it provides some coverage of Howard Park, and it is a known	0 (as already included in camera numbers)

	location for anti-social behaviour. Proposal is that this camera is taken on permanently but to look at moving it to provide better coverage of the park area.	
Removal of camera at Hillshott car park, Letchworth	Reduction in crime in car parks	-1
Removal of camera on Radburn Way, Letchworth	Used to cover a pub that is no longer there	-1
Additional camera on Letchworth Road (near pubs), Baldock	Police felt that due to pubs in the area, there are a number of incidents and no current coverage. From a community safety perspective there are not many issues. To further review coverage from existing cameras prior to installing.	Possibly +1
Removal of camera at Twitchell Car Park, Baldock	Reduction in crime in car parks	-1
Look at options for one camera (rather than 2) to cover the middle of the High Street, Baldock	There are currently two cameras at the southern end of the High Street (one by the library and one by Mansfield Road). To see if can get sufficient coverage from one camera rather than two. This reflects the lower number of incidents at this end of the High Street. Feasibility will depend on whether trees block the view.	Possibly -1
Additional camera in Priory Memorial Gardens, Royston	Identified as a location where there are incidents and anti-social behaviour	+1
Remove both cameras in Knebworth	Based on crime and other data, there is not justification for the cameras to be there. The provision is inconsistent with other villages. Depending on total costs, would allow an increased investment in mobile cameras. These would then be used to target issues across the District, including in Knebworth (if/ when they arose). A mobile camera (if/ when needed) could be sited where the current fixed cameras are located.	-2
Remove camera at Baldock Bowls Club, Baldock	Not justified to retain based on crime and other data	-1 (reactive camera)
Remove camera at Grange pavilion, Letchworth	Not justified to retain based on crime and other data	-1 (reactive camera)
Ransoms Recreation Ground, Hitchin	As this is used as a walkthrough, there is justification to retain. Camera would need replacing ASAP, as it can't currently be controlled by the control room..	0
Hitchin Rugby Club/ King George V Recreation Ground, Hitchin	To retain cameras in the area to provide coverage of the green space. To stop providing coverage of the buildings which are the responsibility of the	Assume 0 financial impact

	Rugby club. To work with the Rugby Club to get the best arrangement for bot of us.	
Adopt Letchworth Heritage Foundation cameras	Take on the funding of the Letchworth cameras when the Heritage Foundation ceases funding them. Seek an ongoing contribution from the Heritage Foundation. Rationale for taking them on is that otherwise coverage would be inconsistent with other towns. The locations of the cameras is generally consistent with assessed need based on crime data, CCTV camera activations and other local knowledge. The exact locations will be reviewed to see if more modern cameras would allow equivalent coverage with fewer cameras. As per paragraph 8.6 this is likely to be an area where savings can be made on the number of data links.	Up to +12
Additional mobile cameras	In principle want to have additional mobile cameras, but the number will depend on affordability (see below).	TBC (up to 5)

8.7. The above table totals a cumulative impact on camera numbers as follows (noting some uncertainty in relation to some of the removals/ additions):

Table 2

	Proactively monitored cameras	Reactively monitored fixed cameras	Mobile cameras
Current numbers	43	21	5
Additions	15	0	TBC
Removals	-11	-2	0
Revised numbers	47	19	TBC

8.8. Subject to Cabinet agreeing to the proposals above, the next stage would be to have more detailed conversations with the CCTV Control Room managers. This would allow us to determine the following:

- The exact location of any new cameras, and the capital costs of those new cameras
- As we would then have confirmation of which cameras are being retained, a plan (including capital costs) for the upgrading of those cameras to ensure they remain fit for purpose. This would initially focus on those cameras where there could be ongoing cost benefits from making changes (e.g. by reducing number of cameras through more efficient coverage or by reducing numbers of communications links). Initial reviews have found that 6 cameras in Hitchin have line of sight between them, which could mean a reduction of 5 data links (at £600 each). Similarly in Letchworth there are two sets of cameras (assuming adoption of Heritage Foundation cameras) that seem to have line of sight links. The approach for existing Heritage Foundation cameras will be considered but will not be fully implemented until the time when the Heritage Foundation stop funding those cameras.
- Overall it should be expected that all the cameras will need replacing (capital cost) within in the next couple of years, and this will be added to

the capital programme as soon as the costs are known. The capital programme will be subject to approval by Council (as part of the Investment Strategy report) in February.

8.9. Following the work above it will then be possible to determine the ongoing cost of CCTV provision to the Council (see section 10 for details of how costs are calculated). This will then determine if there is any available remaining revenue budget for the provision of additional mobile cameras. Note that these will also have a capital cost.

9. LEGAL IMPLICATIONS

9.1 Cabinet's terms of reference at 5.6.4 include "[t]o exercise the Authority's duty in Section 17 of the Crime and Disorder Act 1998 to reduce crime and disorder". The provision of, and in turn the placement of, CCTV cameras contributes to that aim.

9.2 There is no direct statutory duty requiring the provision and management of CCTV by local Councils. However, the Crime & Disorder Act 1998 requires each authority to exercise its functions to prevent crime and disorder; and the Council has, in part fulfilment of this, operated a CCTV service through the Hertfordshire CCTV Partnership.

10. FINANCIAL IMPLICATIONS

10.1 The Council has a revenue budget of £164k in relation to the provision of CCTV cameras. The main components of the revenue costs of the cameras are the data links (typically £600 per camera per year) and the monitoring and maintenance costs.

10.2 The monitoring and maintenance costs are paid to Stevenage Borough Council as they host the CCTV control room on behalf of the CCTV Partnership. The total costs of the CCTV control room are shared between Herts CCTV Partnership Ltd (a company to allow the sale of CCTV services to third parties) and the partners. In very broad terms the costs are shared between the various parties based on number of cameras. However there is a difference depending on whether the cameras are proactively or reactively monitored. The CCTV Joint Executive Committee makes decisions on how charges are calculated.

10.3 A proportion of the costs of the control room are fixed, so growth in camera numbers generally means that the cost per camera decreases. Due to growth in camera numbers from other Councils, it is estimated that it may be possible to manage costs within the existing budget, including the possibility of being able to afford some additional mobile cameras. This will be affected by the results of the discussions detailed in paragraph 8.8. It will also be affected by negotiations with the Letchworth Garden City Heritage Foundation over what they can continue to contribute to the cost of CCTV cameras. Recommendation 2.3 therefore allows this work to take place and then provide delegated authority as to the number of new mobile cameras that can be afforded.

10.4 The Council's CCTV cameras have not been replaced for a number of years, and a number of them are getting towards the end of their life. The replacement of cameras has been paused whilst this review has been taking place, as there would be no point ending up replacing a camera to then find out it was not needed. A replacement programme will now be worked out (see paragraph 8.8) and this will be used to add relevant amounts to the capital programme. Modern permanent cameras cost around

£2.5k each, whilst an additional mobile camera would cost around £6k. Replacing all the (proposed) proactively monitored cameras would cost around £120k.

11. RISK IMPLICATIONS

11.1. The effectiveness of CCTV cameras in preventing crime is unclear. It does have a clearer role in detecting and prosecuting crimes. This work has used various data sources to try and ensure that the provision and location of cameras is most effective within the available budget. There is the option of deploying mobile cameras, especially to address any short-term issues.

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 arising from this report, although paragraph 8.5 notes that VAWG survey data was used in considering the location of CCTV cameras.

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 direct environmental implications arising from this report.

15. HUMAN RESOURCE IMPLICATIONS

15.1 There are no direct HR implications on Council staff arising from this report.

16. APPENDICES

16.1 *None.*

17. CONTACT OFFICERS

17.1 *Ian Couper, Service Director: Resources*
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18. BACKGROUND PAPERS

18.1 *None*

CABINET
13 December 2022

***PART 1 – PUBLIC DOCUMENT**

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

REPORT OF: SERVICE DIRECTOR - RESOURCES

EXECUTIVE MEMBER: FINANCE AND I.T.

COUNCIL PRIORITY: SUSTAINABILTY

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 September 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 £2.437M and an increase in spend in 2023/24 of £0.861M and £2.0M in 2024/25. The most significant individual changes decreasing the spend in 2022/23 relate to £2.0M Museum and Commercial Storage, £0.3M Property Improvements and £0.25M New Mausoleum which have been reprofiled into future years.

1.3 To inform Cabinet of the Treasury Management activities in the first six months of 2022/23. The current forecast is that the amount of investment interest expected to be generated during the year is £1.126M. This is an increase of £0.418M on the estimate reported in the 1st quarter report.

2 RECOMMENDATIONS

2.1 That Cabinet notes the forecast expenditure of £9.815M 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 £0.861M and £2.0M in 2024/25.

2.3 That Cabinet notes the position of the availability of capital resources, as detailed in table 4 paragraph 8.6 and the requirement to keep the capital programme under review for affordability.

2.4 That Cabinet recommends to Council that it notes the position of Treasury Management activity as at the end of September 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 regular updates and 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 **£9.815M**. This is a decrease of **£2.437M** on the forecast in the 1st quarter report (reported to Cabinet on 13th September 2022). The decrease in spend in 2022/23 is largely due to the reprofiling of projects into 2023/24 and 2024/25. 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 Fund Interventions (two separate projects at £50k and £10k each)	0.060	0	0
Changes at Q1	-1.520	2.048	0

	2022/23 £M	2023/24 £M	2024/25 to 2031/32 £M
Full Council approved additional Expenditure – NHLC Soft Play	**0.250**	**-0.100**	**0**
Executive Member – Finance and I.T. approved additional Expenditure - Gum Gun	**0.038**		
Changes at Q2	**-2.725**	**0.861**	**2.000**
Current Capital Estimates	**9.815**	**8.331**	**19.311**

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

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
Museum and Commercial Storage	2,000	0	-2,000	Further work towards identifying the best route forwards, in terms of the appointment of a consultancy team and procurement of a principal contractor, have identified that the probable start date for construction is more likely to fall within 2023/24 and therefore reprofiling the capital budget accordingly is prudent at this time. Total budget for this project is £4M. Originally £2M in 2022/23 and £2M in 2023/24. This will now be profiled as £2M in 2023/24 and £2M in 2024/25	2,000
Property Improvements	604	300	-304	Whilst it's anticipated that a number of capital projects will be delivered during 2022/23, it's clear the entire budget allocation will not be used. Works will still be progressed for all higher priority improvements. The remainder will be delivered in later years, dependent on urgency and available resources.	304

Scheme	2022/23 Working Budget £'000	2022/23 Forecast £'000	Difference £'000	Reason for Difference	Estimated impact on 2023/24 onwards £'000
New Mausoleum Wilbury Hills	250	0	-250	This project has been reviewed by the Executive Member for Environment and Leisure, who has considered the commercial and community benefits from this project. Increasing costs and the need to clarify future demand has interrupted the progress of the project, with completion now expected in the next financial year.	250
Letch Multi-Storey Parapet/Soffit/Decoration	129	1	-128	The project management of these works was outsourced to Stevenage Borough Council who have struggled to recruit to posts that became vacant. As a result this project has been delayed until 2023/24 whilst alternative arrangements can be put in place.	128
Timber Access Bridge Norton Co	75	0	-75	Due to limited resources this project has not commenced but is now within the work program moving forward for 2023/24, using Countryside Management Services to project manage the project as part of their delivery program.	75
Mrs Howard Hall Boiler/Windows	63	0	-63	Ongoing lease negotiations are at a very advanced stage, with the aim of agreeing a full repairing lease with the tenant. Currently waiting for the tenant to sign the lease agreement but anticipate this won't happen until towards the end of this financial year.	63
Former Public Conveniences, Portmill Lane- works to make available for letting	25	0	-25	Due to other more pressing priorities and limited officer resource within Estates, this project has had to be placed on hold for this financial year.	25
Other minor changes			-16		16
Total Revision to Budget Profile			**-2,861**		**2,861**

8.5 There are also changes to the overall costs of schemes in 2022/23. These changes total a net increase of £0.098million 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
Environmental Improvements to Leisure Centres	115	186	+71	3 projects totalling £40K within the original budget of £115K are not viable and will not proceed. Following a full review of the existing Building Management Systems at each leisure facility, costs to upgrade the software and move to desktop access are over the original estimated budget included in the 2020 North Herts Greenhouse Gas Reduction Report. The project remains viable due to the energy saving measures that can be realised onsite by staff following this work. An increase of £59K is required for the project to progress. Cavity wall insulation remains a viable project at NHLC due to the impact on loss of heat / cooling it will have on the centre. In addition it will benefit the soft play project which is located on the same wall as the insulation works. Quotations have been received for the insulation at NHLC and are over the estimated original budget of £10k, therefore an increase of £52k is required for the project to progress.
North Herts Leisure Centre Soft Play	250	288	+38	Following approval of the soft play project a detailed scope has been developed. This has identified additional elements not included in the original scope resulting in an increase in costs. The additional elements include: increasing the size of the soft play structure, introducing air conditioning/ heating, relocating the entrance/access gate, accessible toilet/ baby change area and seating provision. In addition, there has been a general increase in build costs since the original scope was developed

Scheme	2022/23 Working Budget £'000	2022/23 Forecast Spend £'000	Difference £'000	Comments
Laptop Refresh Programme	24	49	+25	The need for laptops is going through a period of growth based on new ways of working. Each user needs a device. So things like long term sick, temporary replacements, maternity cover and job share introductions lead to technology growth even though there's no staff growth.
Other minor changes			**+2**	
Total revision to scheme spend			**+136**	

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	7.643	5.578	(8.302)	4.919
S106 receipts			(0.258)	
Other third party grants and contributions			(1.255)	
IT Reserve / Revenue			0	
Planned Borrowing			0	
Total			**(9.815)**	

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 six months, the Council had an average investment balance of £59.0M 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 £0.315M of interest during the first six months of 2022/23. The average interest rate on all outstanding investments at the 30th September was 2.16%. (30th June it was 0.77%). 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 £1.126M of interest over the whole of 2022/23.

8.12 As at 30th September 2022 the split of investments was as shown in the table below. The high level of balances with the Debt Management Office (DMO) reflects the higher rates they paid during the quarter compared to Building Societies and other Local Authorities.

Banks	26%
Building Societies	9%
Government	65%
Local Authorities	0%

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 30th September 2022. The most risky investment has a historic risk of default of 0.022%. 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 Sept	Historic Risk of Default %
DMO (Government)	1.0	1.97	AA-	1	0.000
DMO (Government)	5.0	1.405	AA-	18	0.001
Santander UK	1.0	1.2	A	18	0.002
DMO (Government)	2.0	1.75	AA-	19	0.001
Santander UK	1.0	1.46	A	31	0.004
DMO (Government)	8.0	2.0	AA-	35	0.002
DMO (Government)	3.0	1.81	AA-	38	0.002
DMO (Government)	6.0	1.845	AA-	47	0.003

Borrower	Principal Invested £M	Interest Rate %	Credit Rating	Days to Maturity at 30 Sept	Historic Risk of Default %
Santander UK	1.0	2.06	A	48	0.006
Santander UK	1.0	2.22	A	56	0.006
Australia & New Zealand Bank	2.0	2.11	A+	76	0.010
DMO (Government)	5.0	2.405	AA-	76	0.005
Yorkshire Bldg Soc	3.0	1.79	A-	76	0.010
DMO (Government)	2.0	2.145	AA-	77	0.005
DMO (Government)	3.0	1.95	AA-	80	0.005
Santander UK	1.0	2.48	A	81	0.010
DMO (Government)	2.0	2.33	AA-	110	0.007
Nat West	2.0	2.8	A+	112	0.014
Yorkshire Bldg Soc	2.0	2.2	A-	126	0.016
Australia & New Zealand Bank	1.0	2.72	A+	140	0.018
Nat West	2.0	3.0	A+	143	0.018
Nat West	1.0	3.2	A+	166	0.021
Australia & New Zealand Bank	2.0	3.43	A+	171	0.022
	57.0	2.16			

DMO credit rating is 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 £3.9M higher than the budgeted £37.5M. 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 due to construction costs.

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 £22k 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).

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

12. EQUALITIES IMPLICATIONS

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

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

13. SOCIAL VALUE IMPLICATIONS

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

14. ENVIRONMENTAL IMPLICATIONS

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

15. HUMAN RESOURCE IMPLICATIONS

15.1 There are no direct human resource implications.

16. APPENDICES

16.1 Appendix A, Capital Programme Detail including Funding 2021/22 onwards.

16.2 Appendix B, Treasury Management Update.

17. CONTACT OFFICERS

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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

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		Spend / Forecast Spend						Funding				
Project	Service Directorate	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
40 KVA UPS Device or Battery Replacement	Customers	15,000	12,000	0	14,000	0	16,000	0	0	0	0	57,000
Access Burymean Road	Enterprise	500	0	0	0	0	0	0	0	0	0	500
Acquisition of Churchgate	Enterprise	4,214,000	0	0	0	0	0	0	0	0	0	4,214,000
Alternative to safeword tokens for staff/members working remotely	Customers	6,900	0	3,000	0	3,000	19,000	0	0	0	0	31,900
Avenue Park Floodlights	Place	14,000	0	0	0	0	0	0	0	0	0	14,000
Avenue Park Splash Park	Place	0	70,000	0	0	0	0	0	0	0	0	70,000
Back-up Diesel 40 KVA Generator (DCO)	Customers	0	25,000	0	0	0	0	0	0	0	0	25,000
Baldock Town Hall project	Legal and Community	5,600	0	0	0	0	0	0	0	0	0	5,600
Bancroft Lighting	Place	0	45,000	0	0	0	0	0	0	0	0	45,000
Bancroft & Priory Splash Pads	Place	0	0	35,000	0	0	0	0	0	0	0	35,000
BEIS Park Homes Insulation	Regulatory	341,100	0	0	0	0	0	0	341,100	0	0	0
Burymead Road Transfer Facility	Place	30,000	0	0	0	0	0	0	0	0	0	30,000
Cabinet Switches - 4 Floors	Customers	18,000	0	18,000	0	0	18,000	0	0	0	0	54,000
Cadcorp Local Knowledge & Notice Board Software	Customers	5,400	0	0	0	0	0	0	0	0	200	5,200
Careline Servers	Customers	3,800	0	0	0	0	0	0	0	0	0	3,800
CCTV at DCO & Hitchin Town Hall	Customers	20,000	0	0	0	0	0	0	0	0	0	20,000
Conference Calling Solutions in Large Meeting Rooms at District Council Offices	Customers	13,000	0	0	0	0	0	0	0	0	0	13,000
Council property improvements following condition surveys	Resources	300,000	303,700	0	0	0	0	0	0	0	0	603,700
Cyber attacks - Events Monitoring Software Solution	Customers	9,100	0	0	0	0	0	0	0	0	0	9,100
Cycle Strategy implementation (GAF)	Regulatory	278,000	0	0	0	0	0	0	278,000	0	0	0
Data Switch Upgrade	Customers	15,000	0	18,000	0	18,000	23,000	0	0	0	0	74,000
DCO Electric Vehicle Charges	Resources	15,000	0	0	0	0	0	0	0	0	0	15,000
DR Hardware Refresh Inc UPS Battery Pk (unit 3)	Customers	0	0	0	55,000	0	0	0	0	0	0	55,000
Email Encryption Software Solution	Customers	40,400	0	0	0	0	0	0	0	0	0	40,400
Environmental Improvements	Place	187,500	0	0	0	0	0	0	0	0	0	187,500
Former Public Convenience Portmill Lane	Enterprise	0	25,000	0	0	0	0	0	0	0	0	25,000
Great Ashby District Park safety and security	Place	11,700	0	0	0	0	0	0	0	0	0	11,700
Green Infrastructure implementation (GAF)	Regulatory	185,000	0	0	0	0	0	0	185,000	0	0	0
Grounds Maintenance Vehicles & Machinery	Resources	0	315,000	0	0	0	0	0	0	0	0	315,000
Gum Gun	Place	38,000	0	0	0	0	0	0	0	0	0	38,000
Hitchin Lairage car park - cosmetic coating to four stairwells and replacement windows and doors	Resources	0	75,000	0	0	0	0	0	0	0	0	75,000
Hitchin Swim Centre Boiler Replacement	Place	0	0	200,000	0	0	0	0	0	0	0	200,000
Hitchin Swim Centre: Archers Member Change and Relaxation Area Refurbishment	Place	0	0	0	300,000	0	0	0	0	0	0	300,000
Hitchin Swim Centre: Changing Village Refurbishment	Place	0	0	0	0	225,000	0	0	0	0	0	225,000
Hitchin Swim Centre: Fitness Equipment Replacement	Place	0	0	0	0	300,000	0	0	0	0	0	300,000
Hitchin Swim Centre: Fitness Facility Refurbishment	Place	0	0	0	0	50,000	0	0	0	0	0	50,000
Hitchin Swim Centre Outdoor Pool Boiler Replacement	Place	56,200	40,000	0	0	0	0	0	0	0	0	96,200
Hitchin Swim Centre Outdoor Pool Cover Replacement	Place	0	0	0	0	30,000	0	0	0	0	0	30,000
Hitchin Swim Centre Reception Toilet Refurbishment	Place	0	30,000	0	0	0	0	0	0	0	0	30,000

		Spend / Forecast Spend						Funding				
Project	Service Directorate	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
Hitchin Swim Centre Replacement of Domestic Hot Water Calorifer	Place	15,900	0	0	0	0	0	0	0	0	0	15,900
Hitchin Town Hall Sprung Floor Replacement	Enterprise	6,000	0	0	0	0	0	0	0	0	0	6,000
Howard Gardens Splashpad	Place	35,000	0	0	0	0	0	0	0	0	0	35,000
Ickneild Way Cemetery Footpaths	Place	50,000	0	0	0	0	0	0	0	0	0	50,000
Infrastructure Hardware	Customers	28,000	0	278,000	0	0	167,000	0	0	0	0	473,000
Installation of trial on-street charging (GAF)	Regulatory	50,000	0	0	0	0	0	0	50,000	0	0	0
Integra - Centros Upgrade	Resources	51,000	0	0	0	0	0	0	0	0	0	51,000
Ivel Springs Footpaths	Place	10,000	0	0	0	0	0	0	0	0	0	10,000
John Barker Place, Hitchin	Regulatory	0	1,096,000	0	0	0	0	0	0	270,400	0	825,600
Lairage Multi-Storey Car Par - Structural wall repairs	Resources	113,900	0	0	0	0	0	0	0	0	0	113,900
Laptops - Refresh Programme	Customers	49,400	10,000	15,000	294,000	0	0	0	0	0	0	368,400
Leased Cars	Resources	0	141,000	0	0	0	0	0	0	0	0	141,000
Leisure Condition Survey Enhancements	Place	58,800	80,000	0	0	0	0	0	0	0	0	138,800
Letchworth Multi-storey Car Park - parapet walls, soffit & decoration	Resources	1,100	127,900	0	0	0	0	0	0	0	0	129,000
Letchworth Outdoor Pool Boiler Replacement	Place	58,200	40,000	0	0	0	0	0	0	0	0	98,200
Match funding for Electric Vehicle charging	Regulatory	100,000	0	0	0	0	0	0	0	0	0	100,000
Members Laptops Refresh Programme	Customers	0	30,000	0	0	30,000	30,000	0	0	0	0	90,000
Microsoft Enterprise Software Assurance	Customers	617,000	0	0	679,000	0	747,000	0	0	0	0	2,043,000
Mrs Howard Hall Replacement Boiler & Windows	Resources	0	63,000	0	0	0	0	0	0	0	0	63,000
Museum Storage Facility	Enterprise	0	2,000,000	2,000,000	0	0	0	0	0	0	0	4,000,000
New Mausoleum	Place	0	250,000	0	0	0	0	0	0	0	170,000	80,000
Newmarket Road Royston Skatepark & Access	Place	0	90,000	0	0	0	0	0	0	0	0	90,000
NH Museum & Community Facility	Enterprise	48,300	0	0	0	0	0	48,300	0	0	0	0
NH Museum Platform Lift Solutions	Enterprise	40,000	0	0	0	0	0	0	0	0	0	40,000
NHLC Boiler Replacement	Place	0	200,000	0	0	0	0	0	0	0	0	200,000
NHLC Interactive Water Feature	Place	0	0	0	0	0	120,000	0	0	0	0	120,000
NHLC Pool Flume Replacement	Place	0	0	0	0	0	150,000	0	0	0	0	150,000
NHLC Sauna Steam Refurbishment	Place	164,900	0	0	0	0	0	0	0	0	0	164,900
NHLC Soft Play	Place	288,000	0	0	0	0	0					288,000
Northern Transfer Station	Place	0	0	3,000,000	3,000,000	0	0	0	0	0	0	6,000,000
Norton Common Footpaths	Place	0	10,000	0	0	0	0	0	0	0	0	10,000
Off Street Car Parks resurfacing and enhancement	Resources	209,400	8,000	0	0	0	0	0	0	0	0	217,400
Oughtonhead Common Footpaths	Place	0	20,000	0	0	0	0	0	0	0	0	20,000
Oughtonhead Common Signage and Interpretation	Place	0	10,000	0	0	0	0	0	0	0	0	10,000
Parking Charging, Payments & Management	Regulatory	235,000	0	0	0	0	0	0	0	0	0	235,000
Parking Machines Replacement	Regulatory	0	0	0	150,000	150,000	0	0	0	0	0	300,000
Parking Machines Upgrade - Contactless Payment Facility Installation	Regulatory	56,000	0	0	0	0	0	0	42,000	0	0	14,000
PC's - Refresh Programme	Customers	9,300	7,000	13,000	7,000	8,000	26,000	0	0	0	0	70,300
Playground Renovation District Wide	Place	427,300	180,000	180,000	180,000	180,000	720,000	0	0	81,000	0	1,786,300
Private Sector Grants	Regulatory	119,600	60,000	60,000	60,000	60,000	240,000	0	0	0	0	599,600
Provide housing at market rents.	Enterprise	41,700	10,000	0	0	0	0	0	0	0	0	51,700
Ransoms Rec Footpaths, Gates and Railing	Place	10,000	20,000	0	0	0	0	0	0	0	0	30,000
Refurbishment and improvement of community facilities	Legal and Community	193,800	0	0	0	0	0	0	0	0	0	193,800
Refurbishment of lifts at Lairage Car Park	Resources	4,200	0	0	0	0	0	0	0	0	0	4,200
Refuse and Recycling Bins	Place	90,000	90,000	90,000	90,000	90,000	450,000	0	0	0	0	900,000
Renovate play area Howard Park, Letchworth	Place	6,400	0	0	0	0	0	0	0	0	0	6,400
Renovate skate park at KGV Hitchin	Place	0	250,000	0	0	0	0	0	0	0	0	250,000

		Spend / Forecast Spend						Funding				
Project	Service Directorate	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 and enhance lighting at St Mary's Car Park	Resources	60,000	0	0	0	0	0	0	0	0	0	60,000
Replace items of play equipment Holroyd Cres, Baldock	Place	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	Enterprise	0	65,000	0	0	0	0	0	0	0	0	65,000
Replacement of the timber access bridge at Norton Common	Place	0	75,000	0	0	0	0	0	0	0	0	75,000
Resurface Lairage Car Park	Resources	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	177,000	0	0	0	0	0	0	0	177,000	0	0
Security - 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	Enterprise	65,000	0	0	0	0	0	0	0	0	0	65,000
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	0	16,600	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
		9,814,800	**8,331,500**	**6,136,000**	**8,909,000**	**1,402,000**	**2,864,000**	**298,300**	**1,206,100**	**565,400**	**3,370,200**	**32,017,300**

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Treasury Management Strategy Statement and Annual Investment Strategy

Mid-Year Review Report 2022/23

Date of issuance: 7.10.22

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1. Background

1.1 Capital Strategy
In December 2017, the Chartered Institute of Public Finance and Accountancy, (CIPFA), issued revised Prudential and Treasury Management Codes. These require all local authorities to prepare a Capital Strategy which is to provide the following: -

- a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services;
- an overview of how the associated risk is managed;
- the implications for future financial sustainability.

1.2 Treasury management
The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering optimising investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

Accordingly, treasury management is defined as:

> "The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

2. Introduction

This report has been written in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2017).
The primary requirements of the Code are as follows:

1. Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
2. Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
3. Receipt by the full Council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a Mid-year Review Report and an Annual Report, (stewardship report), covering activities during the previous year.
4. Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
5. Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Council the delegated body is Finance, Audit and Risk Committee:

This mid-year report has been prepared in compliance with CIPFA's Code of Practice on Treasury Management, and covers the following:

- An economic update for the first half of the 2022/23 financial year;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Council's capital expenditure, as set out in the Capital Strategy, and prudential indicators;
- A review of the Council's investment portfolio for 2022/23;
- A review of the Council's borrowing strategy for 2022/23;
- A review of any debt rescheduling undertaken during 2022/23;
- A review of compliance with Treasury and Prudential Limits for 2022/23.

3.Economics and interest rates

3.1 Economics update

- The second quarter of 2022/23 saw:
  - GDP revised upwards in Q1 2022/23 to +0.2% q/q from -0.1%, which means the UK economy has avoided recession for the time being;
  - Signs of economic activity losing momentum as production fell due to rising energy prices;
  - CPI inflation ease to 9.9% y/y in August, having been 9.0% in April, but domestic price pressures showing little sign of abating in the near-term;
  - The unemployment rate fall to a 48-year low of 3.6% due to a large shortfall in labour supply;
  - Bank Rate rise by 100bps over the quarter, taking Bank Rate to 2.25% with further rises to come;
  - Gilt yields surge and sterling fall following the "fiscal event" of the new Prime Minister and Chancellor on 23rd September.
- The UK economy grew by 0.2% q/q in Q1 2022/23, though revisions to historic data left it below pre-pandemic levels.
- There are signs of higher energy prices creating more persistent downward effects in economic activity. Both industrial production (-0.3% m/m) and construction output (-0.8% m/m) fell in July 2022 for a second month in a row. Although some of this was probably due to the heat wave at the time, manufacturing output fell in some of the most energy intensive sectors (e.g., chemicals), pointing to signs of higher energy prices weighing on production. With the drag on real activity from high inflation having grown in recent months, GDP is at risk of contracting through the autumn and winter months.
- The fall in the composite PMI from 49.6 in August to a 20-month low preliminary reading of 48.4 in September points to a fall in GDP of around 0.2% q/q in Q3 and consumer confidence is at a record low. Retail sales volumes fell by 1.6% m/m in August, which was the ninth fall in 10 months. That left sales volumes in August just 0.5% above their pre-Covid level and 3.3% below their level at the start of the year. There are also signs that households are spending their excess savings in response to high prices. Indeed, cash in households' bank accounts rose by £3.2bn in August, which was below the £3.9bn rise in July and much smaller than the 2019 average monthly rate of £4.6bn.
- The labour market remained exceptionally tight. Data for July and August provided further evidence that the weaker economy is leading to a cooling in labour demand. Labour Force Survey (LFS) employment rose by 40,000 in the three months to July (the smallest rise since February). But a renewed rise in inactivity of 154,000 over the same period meant that the unemployment rate fell from 3.8% in June to a new 48-year low of 3.6%. The single-month data showed that inactivity rose by 354,000 in July itself and there are now 904,000 more inactive people aged 16+ compared to before the pandemic in February 2020. The number of vacancies has started to level off from recent record highs but there have been few signs of a slowing in the upward momentum on wage growth. Indeed, in July, the 3my/y rate of average earnings growth rose from 5.2% in June to 5.5%.
- CPI inflation eased from 10.1% in July to 9.9% in August, though inflation has not peaked yet. The easing in August was mainly due to a decline in fuel prices reducing fuel inflation from 43.7% to 32.1%. And with the oil price now just below $90pb, we would expect to see fuel prices fall further in the coming months.
- However, utility price inflation is expected to add 0.7% to CPI inflation in October when the Ofgem unit price cap increases to, typically, £2,500 per household (prior to any benefit payments). But, as the government has frozen utility prices at that level for two years, energy price inflation will fall sharply after October and have a big downward influence on CPI inflation.
- Nonetheless, the rise in services CPI inflation from 5.7% y/y in July to a 30-year high of 5.9% y/y in August suggests that domestic price pressures are showing little sign of abating. A lot of that is being driven by the tight labour market and strong wage growth. CPI inflation is expected to peak close to 10.4% in November and, with the supply of workers set to remain unusually low, the tight labour market will keep underlying inflationary pressures strong until early next year.
- The MPC has now increased interest rates seven times in as many meetings in 2022 and has raised rates to their highest level since the Global Financial Crisis. Even so, coming after the Fed and ECB raised rates by 75 basis points (bps) in their most recent meetings, the Bank of England's latest 50 basis points hike

looks relatively dovish. However, the UK's status as a large 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.

- Since the fiscal event on 23rd September, we now expect the Monetary Policy Committee (MPC) to increase interest rates further and faster, from 2.25% currently to a peak of 5.00% in February 2023. The combination of the government's fiscal loosening, the tight labour market and sticky inflation expectations means we expect the MPC to raise interest rates by 100bps at the policy meetings in November (to 3.25%) and 75 basis points in December (to 4%) followed by further 50 basis point hikes in February and March (to 5.00%). Market expectations for what the MPC will do are volatile. If Bank Rate climbs to these levels the housing market looks very vulnerable, which is one reason why the peak in our forecast is lower than the peak of 5.50% - 5.75% priced into the financial markets at present.
- Throughout 2022/23, gilt yields have been on an upward trend. They were initially 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. However, the upward trend was exceptionally sharply at the end of September as investors demanded a higher risk premium and expected faster and higher interest rate rises to offset the government's extraordinary fiscal stimulus plans. The 30-year gilt yield rose from 3.60% to 5.10% following the "fiscal event", which threatened financial stability by forcing pension funds to sell assets into a falling market to meet cash collateral requirements. In response, the Bank did two things. First, it postponed its plans to start selling some of its quantitative easing (QE) gilt holdings until 31st October. Second, it committed to buy up to £65bn of long-term gilts to "restore orderly market conditions" until 14th October. In other words, the Bank is restarting QE, although for financial stability reasons rather than monetary policy reasons.
- Since the Bank's announcement on 28th September, the 30-year gilt yield has fallen back from 5.10% to 3.83%. The 2-year gilt yield dropped from 4.70% to 4.30% and the 10-year yield fell back from 4.55% to 4.09%.
- There is a possibility that the Bank continues with QE at the long-end beyond 14th October or it decides to delay quantitative tightening beyond 31st October, even as it raises interest rates. So far at least, investors seem to have taken the Bank at its word that this is not a change in the direction of monetary policy nor a step towards monetary financing of the government's deficit. But instead, that it is a temporary intervention with financial stability in mind.
- After a shaky start to the year, the S&P 500 and FTSE 100 climbed in the first half of Q2 2022/23 before falling to their lowest levels since November 2020 and July 2021 respectively. The S&P 500 is 7.2% below its level at the start of the quarter, whilst the FTSE 100 is 5.2% below it as the fall in the pound has boosted the value of overseas earnings in the index. The decline has, in part, been driven by the rise in global real yields and the resulting downward pressure on equity valuations as well as concerns over economic growth leading to a deterioration in investor risk appetite.

3.2 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 27th September sets out a view that both short and long-dated interest rates will be elevated for some little while, as the Bank of England seeks to squeeze inflation out of the economy, whilst the government is providing a package of fiscal loosening to try and protect households and businesses from the ravages of ultra-high wholesale gas and electricity prices.

The increase in PWLB rates reflects a broad sell-off in sovereign bonds internationally but more so the disaffection investors have with the position of the UK public finances after September's "fiscal event". 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 its job is that much harder now.

Our PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps, calculated as gilts plus 80bps) which has been accessible to most authorities since 1st November 2012.

Link Group Interest Rate View	27.09.22											
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
BANK RATE	4.00	5.00	5.00	5.00	4.50	4.00	3.75	3.25	3.00	2.75	2.75	2.50
3 month ave earnings	4.50	5.00	5.00	5.00	4.50	4.00	3.80	3.30	3.00	2.80	2.80	2.50
6 month ave earnings	4.70	5.20	5.10	5.00	4.60	4.10	3.90	3.40	3.10	3.00	2.90	2.60
12 month ave earnings	5.30	5.30	5.20	5.00	4.70	4.20	4.00	3.50	3.20	3.10	3.00	2.70
5 yr PWLB	5.00	4.90	4.70	4.50	4.20	3.90	3.70	3.50	3.40	3.30	3.20	3.20
10 yr PWLB	4.90	4.70	4.60	4.30	4.10	3.80	3.60	3.50	3.40	3.30	3.20	3.20
25 yr PWLB	5.10	4.90	4.80	4.50	4.30	4.10	3.90	3.70	3.60	3.60	3.50	3.40
50 yr PWLB	4.80	4.60	4.50	4.20	4.00	3.80	3.60	3.40	3.30	3.30	3.20	3.10

3. Treasury Management Strategy Statement and Annual Investment Strategy Update

The Treasury Management Strategy Statement, (TMSS), for 2022/23 was approved by the Council on 11th February 2022.

- There are no policy changes to the TMSS; the details in this report update the position in the light of the updated economic position and budgetary changes already approved.

4. The Council's Capital Position (Prudential Indicators)

This part of the report is structured to update:

- The Council's capital expenditure plans;
- How these plans are being financed;
- The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow; and
- Compliance with the limits in place for borrowing activity.

5.1 Prudential Indicator for Capital Expenditure

This table shows the revised estimates for capital expenditure and the changes since the capital programme was agreed at the 1st quarter.

Capital Expenditure by Service	2022/23 Working Estimate £m	Current Position £m	2022/23 Revised Estimate £m
Asset Management	5,003	3,931	4,674
Community Services	368	223	376
Computer Software and Equipment	914	198	939
Corporate Items	82	0	82
Growth Fund Projects	713	0	713
Leisure Facilities	1,536	575	1,485
Museum & Arts	2,094	14	94
Parking	961	-54	833
Renovation & Reinstatement Grant Expenditure	461	273	461
Waste	120	58	158
Total capital expenditure	**12,252**	5,218	**9,815**

5.2 Changes to the Financing of the Capital Programme

The table below draws together the main strategy elements of the capital expenditure plans (above), highlighting the original supported and unsupported elements of the capital programme, and the expected financing arrangements of this capital expenditure. The borrowing element of the table increases the underlying indebtedness of the Council by way of the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision). This direct borrowing need may also be supplemented by maturing debt and other treasury requirements.

Capital Expenditure	2022/23 Working Estimate £m	Current Position £m	2022/23 Revised Estimate £m
Total capital expenditure	**12,252**	**5,218**	**9,815**
Financed by:			
Capital receipts and Set Aside Receipts	**10,526**	**4,812**	**8,302**
Other third party grants and contributions	**1,306**	**230**	**1,255**
S106 Receipts	**250**	**176**	**258**
Revenue	**170**	**0**	**0**
Total financing	**12,252**	**5,218**	**9,815**
Borrowing requirement	**0**	**0**	**0**

5.3 Changes to the Prudential Indicators for the Capital Financing Requirement (CFR), External Debt and the Operational Boundary

The table below shows the CFR, which is the underlying external need to incur borrowing for a capital purpose. It also shows the expected debt position over the period, which is termed the Operational Boundary.

Prudential Indicator – Capital Financing Requirement and the Operational Boundary for External Debt

	2022/23 Original Estimate £m	Current Position £m	2022/23 Revised Estimate £m
Prudential Indicator – Capital Financing Requirement			
Total CFR	-3,183	-4,391	-2,536
Prudential Indicator – the Operational Boundary for external debt			
Borrowing	2,700	377	2,700

5.4 Limits to Borrowing Activity

The first key control over the treasury activity is a prudential indicator to ensure that over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose*. **Gross external borrowing** should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2022/23 and next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy for borrowing in advance of need which will be adhered to if this proves prudent.

A further prudential indicator controls the overall level of borrowing. This is **the Authorised Limit** which represents the limit beyond which borrowing is prohibited and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

Authorised limit for external debt	2022/23 Original Indicator	Current Position	2022/23 Revised Indicator
Total	7,700	377	7,700

5. Borrowing

The Council's capital financing requirement (CFR) for 2022/23 is £3.183m. 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 on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. The CFR is negative as the Council has more cash investments than borrowing.

It is anticipated that further borrowing will not be undertaken during this financial year.

Loans Outstanding at 30 September 2022:

	Amount	Average Interest Rate
	£k	%
Public Works Loans Board	377	10.19

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).

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
31st March 2023 (Forecast)	0.367	0.727	0	1.550	2.1	7.1
31st March 2024 (Forecast)	0.347	0.675	0	0.951	1.6	6.6
31st March 2025 (Forecast)	0.909	0.485	0.584	0.810	1.5	6.5
31st March 2026 (Forecast)	6.569	0.408	6.264	0.713	1.5	6.5
31st March 2026 (Forecast)	7.641	0.329	7.351	0.619	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	0.062	15.860	0.393
2025/26	0.318	15.619	2.037
2026/27	0.379	15.529	2.442

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	1.126	-1.087	18.607	-5.842
2023/24	0.037	1.210	-1.173	16.650	-7.045
2024/25	0.062	1.066	-1.004	15.860	-6.330
2025/26	0.318	0.761	-0.443	15.619	-2.836
2025/26	0.379	0.736	-0.357	15.529	-2.299

6. Debt Rescheduling

No debt rescheduling was undertaken during the quarter

7. Compliance with Treasury and Prudential Limits

The prudential and treasury Indicators are shown in Appendix 1.

It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. During the year to date as at 30th September 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.

8. 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.

Creditworthiness.

Following the Government's fiscal event on 23rd September, both S&P and Fitch have placed the UK sovereign debt rating on Negative Outlook, reflecting a downside bias to the current ratings in light of expectations of weaker finances and the economic outlook.

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

CDS prices
It is noted that sentiment in the current economic climate 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 first half of the financial year was **£59M**. 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).

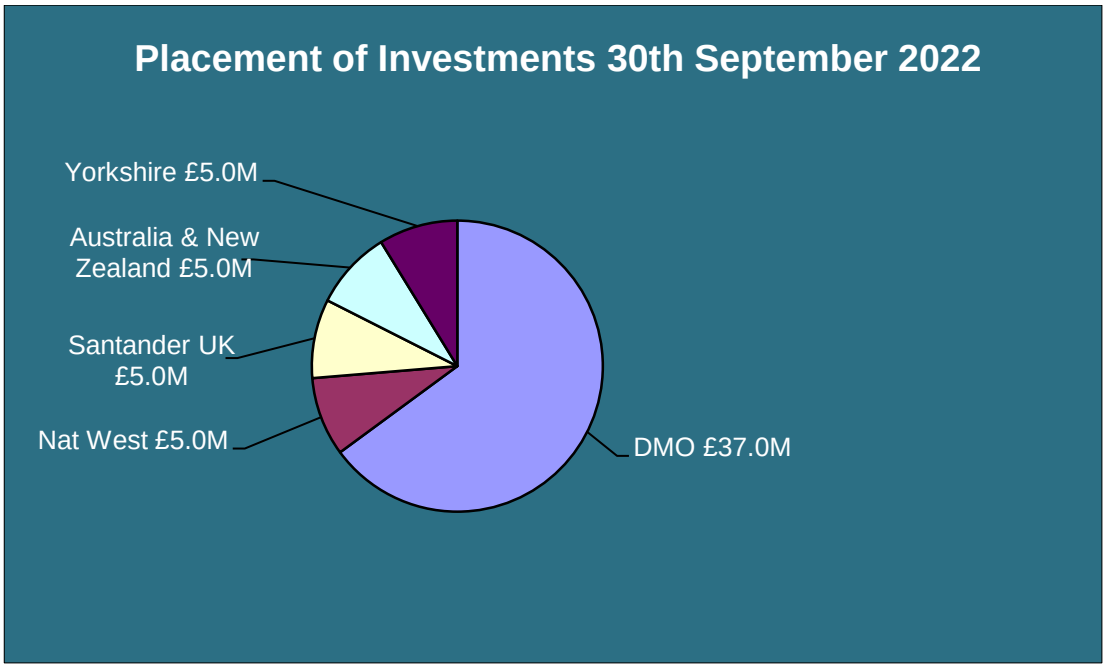
	Amount £	Average Interest Rate %
Managed By NHDC		
Banks	15,000,000	2.54
Building Societies	5,000,000	1.97
Local Authorities	0	0
Government	37,000,000	1.94
Total	**57, 000,000**	**2.16**

In percentage terms, this equates to:

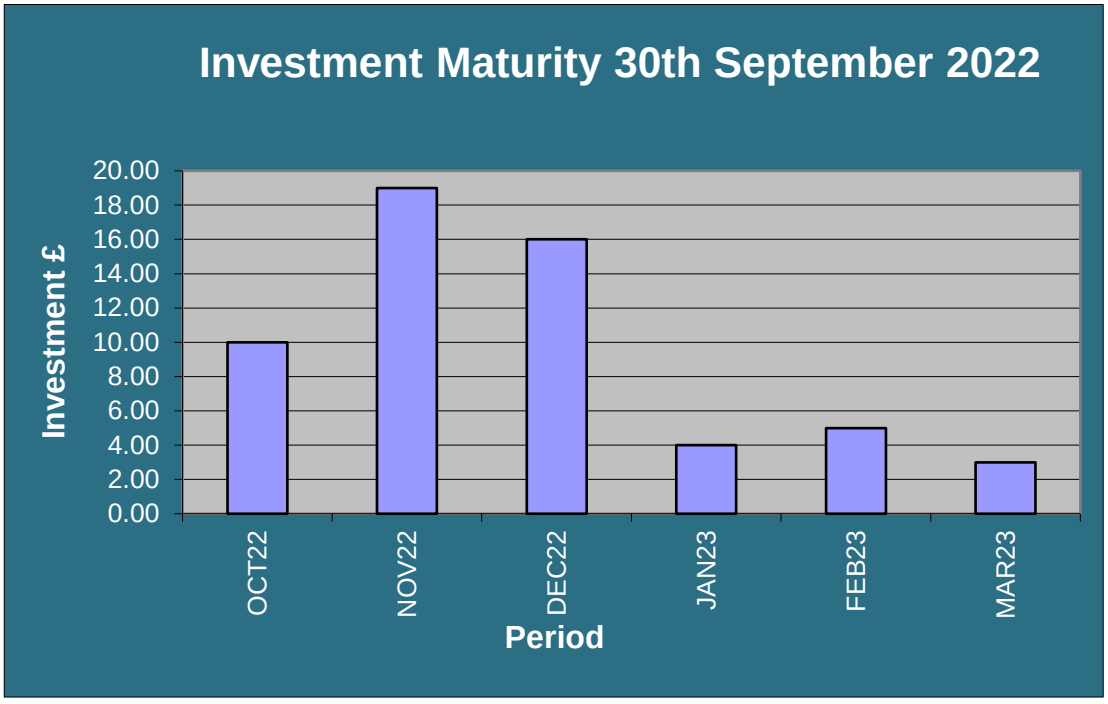
	Percentage
Government	65
Banks	26
Local Authorities	0
Building Societies	9

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 September was £5M.

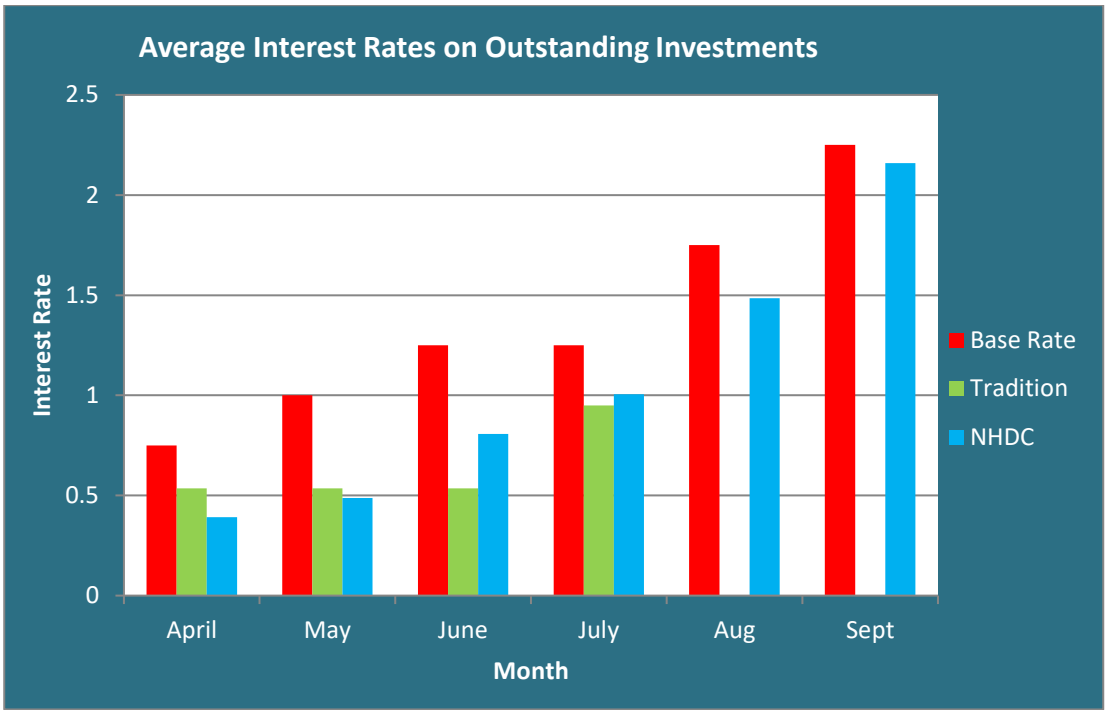
The pie chart below shows the spread of investment balances as at 30 September 2022. This is a snapshot in time that demonstrates the diversification of investments.



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



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



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. The final Tradition deal matured in August.

Approved limits

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

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

Treasury Indicators	2022/23 Budget £'000	30.09.22 Actual £'000
Authorised limit for external debt	7,100	377
Operational boundary for external debt	2,000	377
Gross external debt	387	377
Investments	47,400	57,000
Net borrowing	47,013	56,623

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

Prudential Indicators	2022/23 Budget £'000	30.09.22 Actual £'000
Capital expenditure	12,252	5,296
Capital Financing Requirement (CFR)	-3,183	-4,391
In year borrowing requirement	0	0
Ratio of financing costs to net revenue stream	-0.442	-3.25

CABINET
13 DECEMBER 2022

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: COUNCIL DELIVERY PLAN 2022-23 (QUARTER 2 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 2, 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

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 notes the completion of the Local Plan milestones for this year.

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 2 update was provided to Risk Management Group (RMG) in November. 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 Q2 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 2 update, it generally reflects the latest position at the time that the report was written (mid-November).

8.2 Cabinet are asked to approve the following:

- The proposed change to current milestone dates for Town Centre Recovery, Resident/ Public EV charging in our car parks, Cycling Networks, Town Centre Strategies, Finalise Pay on Exit Parking Review, and Replacement of Royston Town Hall Annexe with reasons detailed in Appendix A.

- 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

17.1 Ian Couper, Service Director: Resources
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17.2 Rachel Cooper, Controls, Risk & Performance Manager,
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17.3 Jo Keshishian, HR Operations Manager
jo.keshishian@north-herts.gov.uk; ext 4314

17.4 Georgina Chapman, Policy Officer
georgina.chapman@north-herts.gov.uk, ext 4121

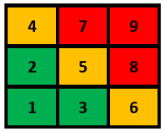
17.5 Isabelle Alajooz, Legal Commercial Team Manager and Deputy Monitoring Officer, Isabelle.alajooz@north-herts.gov.uk, ext 4346

18. BACKGROUND PAPERS

None

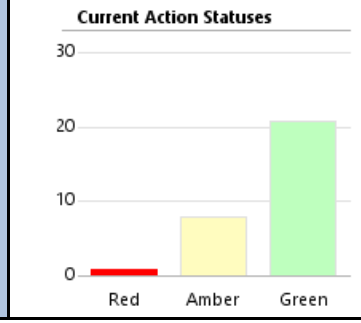
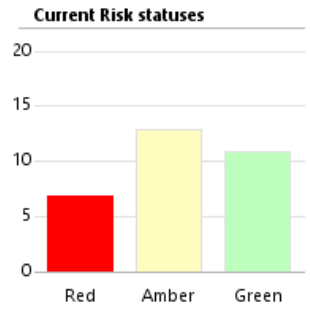
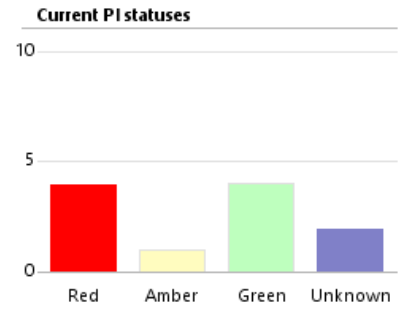
Council Delivery Plan – Status Key

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.
33%	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

Generated on: 16 November 2022

Projects Summary	Risks Summary	PIs Summary
		

	Museum/HTH Recovery	**Progress**	66%	**Due Date**	31-Mar-2023
Project Summary	To rebuild museum visitor numbers, Town Hall usage and income.				
Latest Update	The North Herts Museum has made a strong recovery in terms of visitor numbers compared with pre pandemic. Current projections are that the museum will attract somewhere close to 30k visitors compared to a pre pandemic average of around 35k visitors. Meanwhile, Hitchin Town Hall has had a particularly strong autumn period, with further positive levels of bookings and profitable events lined up for the Christmas period. Income levels are expected to recover lost ground on targets through this period and a strong recovery from the pandemic continues to be evident. The café is the only exception to this, where slightly lower visitor figures, coupled with a staffing shortage due to a transition to a new staffing structure is hampering the ability to maximise returns. However, overall the two service areas continue to show a strong recovery from the pandemic towards pre-pandemic levels of visitors, usage and income				

Milestone	Due Date	Complete	Note
To rebuild visitor numbers at the museum to pre-pandemic levels.	01-Jul-2022	Yes	Complete
To rebuild interest in hiring Hitchin Town Hall back to pre- pandemic levels.	01-Aug-2022	Yes	Complete
To rebuild overall income levels at the facility to pre-pandemic levels.	31-Mar-2023	No	

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	0%	Due Date	31-Mar-2023
Project Summary	To develop a draft strategy by March 2023				
Latest Update	18-Aug-2022 We will now appoint consultants by the end of January 2023 and still expect to have a Strategy in place by end of next year.				

Milestone	Due Date	Complete	Note
Appoint consultants.	31-Oct-2022	No	The Enterprise team has established the project schedule for developing and approving the Strategy and proposing to change milestone date to 31 January 2023
Review and approve draft strategy.	31-Mar-2023	No	

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	50%	Due Date	31-Mar-2023
Project Summary	Promotion of business grants and payment. Completion of required Government reconciliations.				
Latest Update	12-Oct-2022 Grants ceased 31 March 2022. All processed and paid within stipulated timeframes. Received Grants Administration audit report in August 2022, which provided reasonable assurance and made no recommendations. Finalising required reconciliations with Department for Business, Energy & Industrial Strategy, which should be completed by mid-November 2022. There are no associated risks remaining.				

Milestone	Due Date	Complete	Note

Continued promotion of available business support grants and business rate reliefs.	30-Apr-2022	Yes	complete
Complete all Government returns for reconciliation processes.	31-Mar-2023	No	Expect to complete mid-November 2022.

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**	0%	**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	15-Nov-2022 Draft economic recovery plans received and now sharing these with Members. Expect plans to be finalised by the end of January 2023 following engagement with key stakeholders. These link to the review of town centre strategies and will depend on available resources. The Hitchin and Royston ETRO trial periods run to July 2023, and Project Boards have been set up to monitor and review both schemes. Working with Hitchin BID to finalise the draft permit scheme agreement and expect this to happen by March 2023.				

Milestone	Due Date	Complete	Note
Completion of Welcome Back Fund town centre recovery plans for the four towns.	31-Dec-2022	No	Draft recovery plans received from consultant. Now expect plans to be finalised by the end of January 2023 following engagement with key stakeholders. Due date to be amended accordingly.
Development of permit scheme for experimental traffic orders, sub-delegate to appropriate body, enforcement to be with NHC.	31-Mar-2023	No	Relates to Hitchin only.
Liaise with HCC and other key stakeholders with regard the experimental traffic orders for town centres.	31-Mar-2023	No	Milestone relates to ETROs in Hitchin and Royston only.

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					

	Health Inequalities	**Progress**	20%	**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	17/11/22 - Unable to obtain external funding, new revenue proposal to be put forward for Full Council consideration in February 2023, role re-titled Housing improvement Officer. Risk level remains high.				

Milestone	Due Date	Complete	Note
Secure Tranche 1 funding (Health and Wellbeing led projects).	31-May-	Yes	complete

	2022		
Secure Tranche 2 funding from HCC (Public Health) for Environmental Health led projects.	31-Dec-2022	No	Milestone to be deleted as funding not available
Deliver Tranche 1 projects (as planned for 2022/23).	31-Mar-2023	No	Details may be added following the development of the action plan. Milestone only includes projects to be delivered in 2022/23.
Depending on funding being achieved and the development of a related action plan, deliver Tranche 2 projects (as planned for 2022/23).	31-Mar-2023	No	No date specified in the CDP. Other detailed milestones dependent on funding being achieved and the development of an action plan. For the 2022/23 CDP, will only include projects to be delivered in 2022/23.
Develop an action plan for Tranche 1 (based on Public Health Strategy, Health Inequalities Framework and Joint Strategic Needs Assessment).		No	Due date to be confirmed.

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**	33%	**Due Date**	31-Oct-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 March 2023 and will relate to the overarching Enterprise/ Tourism strategy.. 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.				

Milestone	Due Date	Complete	Note
Complete ongoing recovery work funded by High Street Recovery Fund.	01-Apr-2022	Yes	complete
Develop budget bid to deliver proposed Economic Development Strategy.	31-Oct-2022	No	Propose to change due date to 31 March 2023. Development of the budget will run alongside the development/preparation of the Strategy.
Utilise feedback from recovery work to develop an Economic Development Strategy for the four towns. Consult and develop an Economic Development Strategy for the rural community.	31-Oct-2022	No	Propose to change due date to 31 March 2023. This milestone relates to the development/preparation of the Strategy, which will then be subject to Cabinet approval.

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					

	**Resident/Public EV Charging in our Car Parks**	**Progress**	0%	**Due Date**	31-Mar-2023

Project Summary	Submit grant application to Office for Zero Emission Vehicles for funding. Further actions dependent on funding awarded.
Latest Update	21-Oct-2022 After confirmed interest from the market, undertaking a framework agreement mini competition to appoint a private sector partner. Expect to appoint in January 2023. We will then work with our partner to establish detailed costings and submit our grant application in February 2023. Risk level remains medium, in view of uncertainty regarding our ability to procure a private sector partner and obtain grant funding.

Milestone	Due Date	Complete	Note
Identify private sector partner to assist with grant application and to provide 40% (originally 25%) of funding not met by grant as well as being responsible for ongoing maintenance and future proofing.	31-Oct-2022	No	Propose to change due date to 31 January 2023 to reflect the timeframe of the framework agreement mini competition.
Establish detailed costings for grant application.	31-Dec-2022	No	Propose to change due date to 28 February 2023. Once we have secured a private sector partner, the establishment of detailed costings will commence.
Submit grant application to OZEV for 60% (originally 75%) of cost, with private partner providing the remaining 40% (originally 25%).	31-Dec-2022	No	Propose to change due date to 28 February 2023. In view of the timeframe of the framework agreement mini competition, we now expect to submit the grant application by the end of February.
Any remaining milestones will be dependent on grant funding awarded.	31-Mar-2023	No	Noted in CDP. Further milestones to be considered at this time if grant funding awarded. Due date not specified in approved CDP.

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.		5	5	1					

	**Cycling Network**	**Progress**	33%	**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	15-Nov-2022 HCC consultation on draft LCWIP between 26 September and 14 November 2022. LCWIP now expected to be adopted at the May 2023 HCC Highways Transport Panel meeting. LCWIP to then inform work on the NHC Cycle Strategy, which should commence in June 2023. The risk level remains low.

Milestone	Due Date	Complete	Note
Working with HCC on the production of a draft Local Cycling & Walking Infrastructure Plan (LCWIP) - for formal consultation.	26-Sep-2022	Yes	complete
Following adoption of LCWIP by Highways Transport Panel will then inform work on NHC cycle strategy.	31-Jan-2023	No	LCWIP now expected to be adopted at the May 2023 HCC Highways Transport Panel meeting. Proposal to change due date accordingly.
Other milestones dependent on LCWIP.	31-Mar-2023	No	Noted in CDP. Further milestones to be considered at this time following adoption of the LCWIP. Work on the NHC Cycle Strategy should commence in June 2023. Proposal to change due date to reflect revised timescales.

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**	100%		**Due Date**	31-May-2022
Project Summary	Install two charging points in DCO rear car park (charging for four vehicles).								
Latest Update	18-Aug-2022 The EV charging points were installed on 17 August 2022. PI showing as red because target is based on full year of usage and we have not yet procured full fleet of electric vehicles.								

Milestone	**Due Date**	**Complete**	**Note**
Install two charging points in DCO rear car park (charging for four vehicles).	31-May-2022	Yes	

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			6,240	17,500

	Royston Leisure Centre Solar Thermal				**Progress**	25%		**Due Date**	31-Mar-2023
Project Summary	Installation of Solar Thermal technology at Royston Leisure Centre.								
Latest Update	18/11/22 Cabinet approved increased budget. 4-week tender period to start week commencing 17th October. Expect to appoint contractor mid December. Procurement and lead in time for solar panels between 4-16 weeks, with installation between 2-4 weeks. Therefore, still expect project to complete by end of March 2023. Risk level remains medium, although likely to be reduced following appointment of contractor and scheduling of works.								

Milestone	**Due Date**	**Complete**	**Note**
Design specification.	31-May-2022	Yes	complete
Complete procurement and appoint contractor.	18-Nov-2022	No	Cabinet had to approve an increased capital budget in September 2022, Now expected to be appointed mid December.
Meet with contractor to programme schedule of works.	02-Dec-2022	No	Milestone will slip slightly due to delay in appointing contractor
Installation of Solar Thermal.	31-Mar-2023	No	Due date dependent on lead in time for solar panels and project plan from contractor.

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 Centre Strategies**				**Progress**	33%		**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	15-Nov-2022 Now expect to finalise WBF town centre recovery plans by the end of January 2023. Cabinet report setting out our plan to progress Town Centre Strategies subsequently delayed until March 2023. Following approval, expect to commence work on Letchworth Town Centre Strategy in April 2023. The risk level remains medium, as there are still resource issues regarding producing (and subsequently delivering) identified strategies. We are currently recruiting to a new Project Officer post to help alleviate the issue and reduce the risk.								

Milestone	**Due Date**	**Complete**	**Note**
Consultants appointed to prepare High Level Town Centre Recovery Action Plans for each town centre.	30-Apr-2022	Yes	complete
Once completed a scoping report will be prepared to agree overall project and governance arrangements for progression of Town Centre Strategies.	31-Dec-2022	No	Propose to change due date to 31 March 2023. We now anticipate presenting a report to Cabinet in March 2023.
Commencement of work on Letchworth Town Centre Strategy, details to be confirmed following outcome of other milestones.	31-Jan-2023	No	Propose to change due date to 30 April 2023. Based on now presenting a report to Cabinet in March 2023, work on the Letchworth Town Centre Strategy should commence in April 2023.

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**	50%		**Due Date**	31-Dec-2022
Project Summary	Complete feasibility study and report to Cabinet on options.								
Latest Update	15-Nov-2022 Draft Feasibility Study produced and discussed with Executive Member. PLB considered this on 1 November 2022 and agreed that officers should proceed with the necessary work in progressing a pay on exit trial in two of the Council's car parks and report to Cabinet within this financial year. Expect to report to Cabinet in March 2023. Risk level remains low, although will be re-assessed in light of the Feasibility Study findings and resource implications of any selected scheme.								

Milestone	Due Date	Complete	Note
Consultants appointed to produce Feasibility Study to be reported to Exec Member & Deputy.	31-Jul-2022	Yes	complete
Report to PLB to get a steer on proceeding to a pay on exit trial.	01-Nov-2022	Yes	complete
Recommendations to be reported to Cabinet to agree Next Steps.	31-Dec-2022	No	Propose to change due date to 14 March 2023, as further work may be required following finalisation of the Feasibility Study and a “meet the supplier” event to establish more detailed costings
The Cabinet report determines further milestones.	31-Dec-2022	No	Propose to change due date to 14 March 2023. Further milestones to be considered following the report to Cabinet. Due date not specified in approved CDP, but for Pentana purposes, due date aligned with the "Recommendations to be reported to Cabinet to agree Next Steps" milestone.

Risks	Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
1. Budget implications of selected scheme.		1	1	1					

	Replacement of Royston Town Hall Annexe	Progress	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	14-Nov-2022 Following receipt of Energy Performance Certificate rating, exploring options to pursue solid interest in the site from an unsolicited approach. Following discussions with interested party on 11 November 2022, negotiations and discussions on draft lease heads of terms are now underway. Depending on the outcome, original milestones may need amending or may no longer be required. If we proceed with original milestones, expect to complete these six months later than originally planned. Risk level still assessed as medium.				

Milestone	Due Date	Complete	Note
Ascertain, acquire, and address rights and restrictions on the site.	30-Nov-2022	No	Propose to change due date to 31 May 2023. No access rights to serve NHC’s site are documented. Currently awaiting confirmation of the appropriate HCC Officer with whom to negotiate acquisition of rights over their land from public highway. No restrictions on title apparent from investigation. Property included in the project is not Listed, although it is in a Conservation Area. This needs to be factored into the design of any scheme to repurpose the site. Ongoing discussion with other stakeholders in the project will be important, such as RTC and Citizens Advice.
Exploring options following unsolicited solid interest in site.	31-Mar-2023	No	New milestone. Discussed options for formalising use of NHC’s land with interested party on 11 November 2022. Negotiations and discussions on draft lease heads of terms recently sent by interested party underway.
Market test site for leasing and sale on non-committal basis. Undertake options appraisal. Seek Cabinet decision.	31-May-2023	No	Propose to change due date to 30 November 2023. This milestone may be resurrected if current negotiations with interested party are aborted.

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					

	Customer Portal	Progress	75%	Due Date	31-Mar-2023
Project Summary	Research options for My Account, transformation programme to consider options for development, implement recommended options.				
Latest Update	05-Oct-2022 Implementation of Waste into MyAccount dependent on decisions relating to new waste contract. If required, further work now likely to take place in 2023/24. Development of MyAccount not reliant on wider transformation programme, which is prioritising process automation. Risk level remains medium, as pending decisions on the wider contract, it is uncertain that the Waste project proceeds and we realise the benefits of bringing this large service area into MyAccount.				

Milestone	Due Date	Complete	Note
Researching options for development of MyAccount.	31-Mar-2022	Yes	complete
Transformation programme considers options for development.	31-May-2022	Yes	complete
Pre-scoping meeting with Waste and MyAccount provider.	15-Sep-2022	Yes	complete
Further development work for Waste implementation.	31-Mar-2023	No	Progress dependent on decisions relating to the new waste contract. (Original milestone, "Implementation of agreed options.")

Risks	Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
1. Additional modules are not forthcoming.		5	5	5					

	Help Residents Make Payments at Convenient Locations	Progress	80%	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	12-Oct-2022 Project implemented and now live. Sales invoices and website updated to reflect the new ways to pay, but wider communication is still required to promote the new arrangements. Risk level reduced to low in view of the progress made, although there remains a risk that residents fail to make use of the new services provided. PI indicator performance dropped slightly in the quarter mainly due to one customer with late payments. The date has now been cleared. It is likely that it will take us a while to meet the e-payment target as all the payment methods become embedded.				

Milestone	Due Date	Complete	Note
Complete procurement and appoint supplier.	31-Mar-2022	Yes	complete
Obtain IIN number and update documentation.	31-Aug-2022	Yes	complete
Send test file and payment.	01-Sep-2022	Yes	complete
Go live - implementation completed.	19-Sep-2022	Yes	complete
Communication to residents on new ways to pay and Allpay app.	30-Nov-2022	No	Communication Plan in place. Sales invoices and relevant web pages updated. Initial communication to residents, including via social media, will be completed by the end of November 2022. Communication to subsequently continue on an ongoing basis, including at Annual Billing.

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	3	3	Percentage of NNDR collected in year			64%	60.5%
					Percentage of council tax collected in year			64.89%	63%
					Percentage of raised sales invoices due for payment that have been paid			92.61%	97%
					% of payments received that were paid by electronic methods			99%	99.3%

	Supplier Self-Service	Progress	0%	Due Date	31-May-2023
Project Summary	Technology in place that allows suppliers to update their details, submit invoices and view payments electronically.				
Latest Update	12-Oct-2022 Exploring options to progress this project ongoing. Expect to complete this exercise and decide how to proceed by the end of 2022. Risk level remains medium, as there is uncertainty regarding the availability of viable solutions and the cost/benefit of alternative options.				

Milestone	Due Date	Complete	Note
Explore available options in the market and determine cost/viability.	31-Dec-2022	No	
Procure system and set up project team.	28-Feb-2023	No	
Portal set up and testing.	30-Apr-2023	No	
Go live and communication.	31-May-2023	No	

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					

	Empty Homes Strategy	Progress	0%	Due Date	01-Apr-2023
Project Summary	Develop and implement a strategy to reduce numbers of Empty Homes.				
Latest Update	03-Nov-2022 Funding bids for additional resource to be part of the 2023/24 budget process (linked to general improvement of housing). Strategy considered by Executive Member and Deputy in September 2022, with outcomes and delivery linked directly to the resources available. Audit of current empty homes being undertaken by Revenues, initially online until the end of September 2022. Possible changes to milestone due dates still to be confirmed. Due to current uncertainty regarding resources, risk level still assessed as medium.				

Milestone	Due Date	Complete	Note
Development of Strategy and resources.	31-Dec-2022	No	
Adoption of Strategy.	31-Mar-2023	No	
Implementation of Strategy.	01-Apr-2023	No	Implementation of the Strategy will follow its adoption by Cabinet. The scope of the Strategy (and the further milestones relating to its implementation) will depend on the availability of funding.

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	0%	Due Date	01-Dec-2023
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.				

Milestone	Due Date	Complete	Note
Determine a way forward/partnership agreement with current provider and start to consider other options for delivery.	31-Mar-2023	No	Establishing a way forward with the current provider was unsuccessful and the Enterprise team will continue to work with Legal and Procurement to identify the best way to deliver this programme of work.
If unsuccessful, prepare a tender exercise based on the four plots of land already determined.	01-Jul-2023	No	The Enterprise team will work with Legal and Procurement on finalising the specification. A tender exercise will then follow.
Select supplier and move forward into the planning and delivery phase. Obtain relevant approval.	01-Sep-2023	No	
Move to construction phase.	01-Dec-2023	No	

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					

	Work with Stakeholders to Increase Accommodation for Single Homeless People	Progress	25%	Due Date	31-Mar-2023
Project	Working with Haven First to secure development of accommodation in Letchworth. Work with partners to deliver general and specialist accommodation.				

Summary	
Latest Update	21-Oct-2022 - Haven First are merging with One YMCA. Early indications are they will still proceed with the development of a new hostel for single homeless people in Letchworth that secured planning permission in February 2021. - Current provision at the former Lord Lister Hotel, Hitchin (provided by Keystage Housing) has received planning consent, and the Haven First scheme at 20 High Street, Baldock is due to be considered by the Planning Control Committee by November. - 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 on 13 December (included on the Forward Plan) regarding proposals for allocating government homelessness funding, including supported housing schemes. This project aims to help mitigate the risks associated with single homeless people with complex needs, but the threat of homelessness not only relates to individuals and couples, but to families too and we continue to assist all of those affected where required (the risk level of increased homelessness remains high due to many different factors e.g., the high support needs of homeless adults experiencing multiple disadvantage, the cost of living crisis, limited access to the private rented sector, availability of affordable housing, various asylum/refugee schemes).

Milestone	Due Date	Complete	Note
Work with Haven First to secure development of hostel accommodation in Letchworth.	31-Oct-2022	Yes	complete.
Application and utilisation of grant funding to secure specialist provision.	13-Dec-2022	No	Report due to be presented to Cabinet on 13 December 2022 (included on the Forward Plan) regarding proposals for allocating government homelessness funding, including supported housing schemes.
Work with partners to secure accommodation for those with specific support needs.	31-Mar-2023	No	The possible delivery of a new hostel in Letchworth contributes to this milestone. This is an ongoing activity, and we continue to explore options for increasing accommodation solutions for people with specific support needs.
Work with partners to secure general accommodation for homeless people.	31-Mar-2023	No	This is an ongoing activity, and we continue to explore options for increasing accommodation solutions for all homeless families/people.

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 are required for some clients/families.		8	8	5	Number of households living in temporary accommodation			96	

	Local Plan Implementation	Progress	100%	Due Date	31-Mar-2023
Project Summary	Adoption of Local Plan by Council.				
Latest Update	16-Nov-2022 The Local Plan was adopted at the Extraordinary Full Council meeting on 8 November 2022. Therefore, all milestones relating to this year have been completed. Activities to implement the Local Plan will now commence and if required, key milestones will be included in the 2023/24 Council Delivery Plan. The risk score will remain at its current level until the 6 week window for JR challenge closes. (commenced 09/11/22)				

Milestone	Due Date	Complete	Note

Receipt of Inspector's letter.			30-Sep-2022	Yes	Completed.				
Adoption of Plan by Full Council.			30-Nov-2022	Yes	Completed.				
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.		9	9	5					

	Master Planning	**Progress**	0%	**Due Date**	31-Mar-2023
Project Summary	Secure funding for Master Plans. Develop Master Plans and seek adoption.				
Latest Update	16-Nov-2022 Timelines will vary by site and to the developer/applicants requirements. The risk level is still assessed as medium, until the 6 week challenge period for the Local Plan has expired, 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.				

Milestone	**Due Date**	**Complete**	**Note**
1. Liaise with developers and identify the Council's expectations with regard master planning.	31-Mar-2023	No	"Due date to be confirmed" in the approved CDP. Timescales will be different for each strategic site identified in the Local Plan.
2. Secure funding for master planning through the development of Planning Performance Agreements to seek to cover NHC and HCC costs as far as is practicable.	31-Mar-2023	No	"Due date to be confirmed" in the approved CDP. Timescales will be different for each strategic site identified in the Local Plan.
3. Present master plans to Project Board for comment and support to forward onto Full Council or Planning Committee as appropriate for approval.	31-Mar-2023	No	"Due date to be confirmed" in the approved CDP. Timescales will be different for each strategic site identified in the Local Plan.

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/Balancing our Budget	Progress	0%	Due Date	30-Sep-2023
Project Summary	To deliver a medium term balanced budget for the Council that reflects Council priorities.				
Latest Update	Medium Term Financial Strategy approved by Council. Detailed budget setting process for 2023/24 has commenced, with proposals presented to budget workshops. December and January Cabinet reports will consider the proposals to be taken forward and the impact of the Government Autumn Budget Review and Local Government Finance settlement				

Milestone	Due Date	Complete	Note
Medium Term Financial Strategy (aligned to Council Plan) approved by Council.	22-Sep-2022	No	
Budget for 2023/24 approved by Council.	28-Feb-2023	No	
Respond to expected consultation on funding reform.	30-Sep-2023	No	

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					

	Full Review of Council Tax Reduction Scheme	Progress	50%	Due Date	31-Mar-2023
Project Summary	Implement a new scheme that is affordable, easy to administer and understand and fair to recipients.				
Latest Update	02-Nov-2022 Project progressing on time. Reports to Cabinet (December 2022) and Full Council (January 2023) allow required changes to be made in time for annual billing (February 2023) and commencement of revised scheme on 1 April 2023. Assessed as low risk.				

Milestone	Due Date	Complete	Note
Engage consultant to support the project.	31-Mar-2022	Yes	complete
Options appraisals conducted and consultation carried out with public and major preceptors.	30-Oct-2022	Yes	complete
Reports to Committees - September, December, and January.	31-Jan-2023	No	Update reported to Cabinet on 13 September 2022. Further update presented to PLB on 1 November 2022. Details of proposed new scheme to be reported to Cabinet (December 2022) and Full Council (January 2023).
Scheme implemented.	31-Mar-2023	No	

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					

	Response to Government Resources and Waste Strategy	Progress	40%	Due Date	31-Mar-2023
Project Summary	For this year, to engage with Councillors on a service design for the forthcoming new contract process. Actions in relation to new contract and finalising service design will follow in 2023/24 onwards.				
Latest Update	17-Nov-2022 The Government has still not published outcomes from consultations on the strategy regarding consistency agenda and deposit return schemes. Expect outcomes at the end of 2022 but recent leadership changes may delay further. Cabinet considered and agreed new service design proposals (for implementation in 2025 for the start of the new contract) in October 2022. This is based on our understanding of anticipated requirements and consultants will be supporting the procurement. Project Board to oversee the procurement and consider consultation outcomes/implications when published. Due to the continued uncertainty, still assessed as a high-risk area. PI Amber - Significant dry periods have impacted on the amount of garden waste collected. It is therefore unlikely that we will meet our target by year end unless there is a significant increase in recycling (inc. food waste) at Christmas and an early spring and start to the growing season.				

Milestone	Due Date	Complete	Note
Initial member consultation and service design.	25-Aug-2022	Yes	complete
Report presented to O&S.	28-Sep-2022	Yes	complete
Pre-engagement.	18-Oct-2022	Yes	Pre-engagement work is complete. Further updates to the procurement strategy at Project Board due on 30 November 2022.
Report presented to Cabinet.	25-Oct-2022	Yes	Presented to the Extraordinary Cabinet meeting scheduled for 25 October 2022.
Publication of Selection Questionnaire (SQ).	05-Dec-2022	No	

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			170kg	178kg
					Percentage of household waste sent for reuse, recycling and composting			57.04%	59%

	Green Space Management Strategy	Progress	50%	Due Date	31-Mar-2023
Project Summary	For this year, installation of interactive play, wilding projects and other projects (as determined).				
Latest Update	05-Oct-2022 All four interactive play equipment projects completed/opened - Bancroft, Hitchin (April 2022), Serby Avenue, Royston (July 2022), Holroyd Crescent, Baldock (August 2022) and Jackmans Central, Letchworth (September 2022). Wilding projects are being delivered, over seeding etc has been undertaken at several new locations which also included over seeding of those areas seeded last year which suffered due to the hot summer. Trees and hedge stock have been ordered for planting over the winter. There is no change in the risk levels.				

Milestone	Due Date	Complete	Note
Installation of interactive play.	16-Sep-2022	Yes	complete
Wilding project.	31-Mar-2023	No	Funding secured and associated works managed by CMS.

Risks	Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
1. Tenders received are not within budget.		1	1	1					

	Charnwood House	Progress	60%	Due Date	30-Apr-2023
Project Summary	Leasing the property as a Community Hub.				
Latest Update	14-Nov-2022 Asbestos removal and air testing complete. Building is now fit to re-enter. Meeting with interested parties on 29 July 2022 galvanised interest. Charnwood Community Management Association currently updating a previously commissioned survey. Updated survey and costings for refurbishment expected end of November 2022. Separate options appraisal by NHC in liaison with local marketing agent should now be completed in December 2022. Expect to report to Cabinet in March 2023, if required. Although demand for a community hub has been proven, risk level still assessed as medium, as there remains uncertainty relating to many aspects of the project.				

Milestone	Due Date	Complete	Note
Exploration of options.	31-Mar-2022	Yes	complete
Market site (informally) for leasing as community hub, on non-committal basis.	29-Jul-2022	Yes	complete
Asbestos removed and air testing completed.	12-Oct-2022	Yes	complete
Undertake options appraisal. Seek Cabinet decision.	31-Oct-2022	No	Options appraisal delayed. Now expected by 9 December 2022. Meeting with Service Director: Resources to discuss way forward will follow. Report to Cabinet in March 2023 if required.
Negotiate terms with selected tenant. Seek Cabinet decision. Complete lease.	30-Apr-2023	No	Milestone completion in 2023/24. Due date to be confirmed. Further milestones will follow for completion in 2023/24.

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	Progress	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	The recruitment of a procurement officer in summer 2022 has added much valued input to this project and officers have been encouraged to revisit a framework approach upon this expert advice. Having reviewed the options available, officers now plan to pursue a framework approach to the procurement of a principal contractor under the SCAPE framework in early 2023. This will lead to construction work starting in summer 2023 rather than the previously targeted Spring 2023. However officers are now very confident of the direction of travel on this project and are satisfied that risks should have been minimised and value for money maximised by the decisions and research undertaken to date. 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.				

Milestone	Due Date	Complete	Note
Finalise Business Case and specification, and seek approvals.	01-Sep-2022	No	
Agree the design and submit planning application along with seeking other required permissions.	31-Jan-2023	No	
Existing Bury Mead site to be cleared prior to works commencing (although the previous Hitchin Museum building is no longer an option to help with this).	30-Jun-2023	No	Although the project is in the early stages, it is currently anticipated that the clearance of the existing site will take place between February and June 2023, prior to construction works commencing.
Move to construction phase will commence in 2023/24.	31-Mar-2024	No	Start and finish of construction phase (estimated 12 months) to follow completion of the previous milestones. Related milestones and due dates to be confirmed.

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	Progress	66%	Due Date	10-Jan-2023
Project Summary	To support and consult on the Boundary Review.				
Latest Update	20-Oct-2022 LGBCE consultation on draft recommendations between 1 November 2022 and 10 January 2023. Project Board meetings set up. Council meeting on 19 December 2022 to consider and agree NHC's submission. LGBCE will then publish its final recommendation on 28 March 2023, and we currently anticipate that a subsequent order will be laid in Parliament in Autumn 2023. The risk level remains low, as plans are in place to ensure that NHC submits its second consultation submission on time.				

Milestone	Due Date	Complete	Note
Provision of any additional information to LGBCE on warding patterns.	31-May-2022	Yes	complete

Consultation on warding patterns by LGBCE with Council, Political Groups and General Public.	18-Oct-2022	Yes	complete
Consultation on draft recommendations with Council, Political Groups and General Public.	10-Jan-2023	No	The due date relates to the closing date of the second consultation exercise, which is due to commence on 1 November 2022.

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					

	Shared Prosperity Fund	Progress	20%	Due Date	31-Mar-2023
Project Summary	Deliver projects to support the aims of the Shared Prosperity Fund, as agreed with Government.				
Latest Update	17/11/22 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 still waiting for full Government approval of the Plan. Due to the need to spend the 2022-23 allocation by 31st March, the work on some projects has commenced, on the assumption that our plan will be approved.				

Milestone	Due Date	Complete	Note
Submit Investment Plan.	28-Jul-2022	Yes	Complete
Work with Government on approval of Investment Plan.	30-Oct-2022	No	Due to the delay in response, it is proposed that this date be changed to 31/12/2023
Deliver projects: Continue community wealth fund.	31-Mar-2023	No	
Deliver projects: Recruit sports development officer. Deliver outdoor fitness classes and first set of new outdoor exercise equipment.	31-Mar-2023	No	
Deliver projects: Town Centre regeneration plans and initial activities.	31-Mar-2023	No	

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	Progress	0%	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 January 2023.				

Milestone	Due Date	Complete	Note
Set up project board.	30-Sep-2022	Yes	Complete
Produce project plan, including communications plan.	31-Oct-2022	Yes	Draft project plan in place and in line with NHC's Project Management Framework. An update will be provided to January 2023 Full Council.
Report back to Council setting out short, medium and long-term approach with draft project plan.	10-Nov-2022	No	Propose to change milestone date to 01 April 2023

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					

PIs 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			745,157	958,091

CABINET
13 December 2022

PART 1 – PUBLIC DOCUMENT

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

REPORT OF: THE SERVICE DIRECTOR - RESOURCES

EXECUTIVE MEMBER: EXECUTIVE MEMBER FOR FINANCE AND IT

COUNCIL PRIORITY: SUSTAINABILITY

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 second quarter. The forecast variance is a £270k decrease in the net working budget of £18.056 million, with an ongoing impact in future years of a £49k increase and a request to carry forward a budget of £20k to fund a specific project in 2023/24. 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 £270k 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 £69k increase in net expenditure. These will be incorporated in the draft revenue budget for 2023/24.

2.4. That Cabinet approve the debt write-offs detailed in table 8.

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
Quarter 1 2022/23 Revenue Monitoring report - 2022/23 variances approved by Cabinet (September 2022)	(559)
Current Working Budget	**18,056**

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

Table 2 – Service Directorate Budget Allocations

Service Directorate	**Working Budget at Quarter One** **£k**	**Changes approved at Quarter One** **£k**	**Other Budget Transfers during Q1** **£k**	**Current Net Direct Working Budget** **£k**
Managing Director	3,661	(2,201)	(208)	1,252
Customers	3,928	371	90	4,389
Enterprise	(152)	(113)	32	(233)
Legal & Community	2,322	61	52	2,435
Place	4,752	747	11	5,510
Regulatory Services	1,502	535	(56)	1,981
Resources	2,602	41	79	2,722
TOTAL	**18,615**	**(559)**	**0**	**18,056**

7.3. The Council's accounts for the last financial year remain subject to External Audit examination. The 2021/22 Final Accounts audit is currently ongoing. Changes required to the opening 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	(708)	(1,126)	(418)	Increase in estimated interest income receivable follows the recent increases to the Bank of England base rate and the consequent increase in the interest returns available on the investment of surplus cash balances. In addition, reprofiling of capital spend 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	0
Careline Service Income from Herts County Council	(2,189)	(2,261)	(72)	Additional income received from HCC to cover the cost of pay inflation for 2022/23. Staffing budgets were adjusted at Quarter One for the employer pay offer for 2022/23 and for the Careline Service the cost was significantly higher than the 2% assumed in the original budget. This income receipt covers the additional cost of the pay award.	0	(72)
North Herts Lottery				Forecast outturn indicates the performance of the lottery to date. Forecast ticket sales in 2022/23 of 36,000 exceeds the 28,000 anticipated in the original business case proposal for the lottery. The Council retains 10% of the revenue generated from sales, with 50% (projected to be £18,000) going to fund good causes. Estimated impact in next year reflects the anticipated growth in sales, as detailed in the original business case.		
Running Costs	0	1	+1		0	1
Ticket Sales Income retained by North Herts Council	0	(4)	(4)		0	(6)
District Elections expenditure	121	164	+43	Majority of the overspend is attributable to two main areas of spend: postage and staffing. Due to the Covid-19 pandemic postal voting has been encouraged to reduce the number of in-person voters at polling stations, which has meant a significant increase in the number of postal voters, with a 38% increase since 2018. Over the same period, Royal Mail postage prices have increased by significantly more than the inflation assumption within the budget estimates. An increase in poll clerk costs is partly due to a higher than budgeted increase in their fee but is also due to increasing the number of poll clerks to comply with the Electoral Commission's recommendations on staffing ratios. These recommendations were implemented to ensure both the smooth running of the election in May and to ensure we have a pool of experienced staff to meet the demands of the next elections when voter ID requirements will be implemented.	0	37

Budget Area	Working Budget £k	Forecast Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2023/24 £k
Leisure Centre Management Contract Fee Income	(404)	(671)	(267)	Forecast variance is indicative of the continuing recovery at the Council's Leisure Centres during quarter two, with usage of the Council's swimming pools now exceeding pre-pandemic levels. Figures also include the additional cost of extending outdoor pool opening, which at £16k was £9k less than the £25k investment budget approved when the budget for 2022/23 was set in February.	0	0
Income from charging for replacement purple residual waste bins	(48)	0	+48	To introduce charging for replacement bins it is necessary to develop fully integrated online forms to prevent adverse impacts, and additional costs, for customer services. Further project development has identified that the Council does not currently have the technical expertise/capacity to integrate online forms with back office payment and waste management systems. In addition, the Council also has no compliant way of taking telephone payments that would allow for a call handling operative to be able to confirm a payment has been received before processing a bin delivery. The project will therefore be delayed until 2024/25.	0	48
Building Control – Disabled Facilities Applications	53	77	+24	The number of applications relating to works for disabled persons has significantly increased this year in comparison to prior years. This corresponds to a high level of demand for Disabled Facilities Grants, processed by the Home Improvement Agency for the District, with adaptations sought to enable people to stay in their own home.	0	0
Planning Control – Funding from Earmarked Reserve	(16)	0	+16	S106 Monitoring & Planning Compliance Officer post has previously been partly funded from income held in the S106 Monitoring earmarked reserve. This reserve has however now all been transferred to the General Fund so the budgeted contribution should be removed. Due to changes in the S106 process some time ago, monitoring fees are no longer received.	0	16
Planning Income Pre-Application advice Planning Applications **Net Total**	 (66) (940) **(1,006)**	 (36) (690) **(726)**	 +30 +250 **+280**	As foreseen and explained in the Strategic Planning Matters report presented to Cabinet in June 2022, the introduction of masterplanning procedures has displaced considerable pre-application income on large schemes in this year. This combined with the general slowdown in the construction sector as a result of economic uncertainty has led to a material drop in fee income relating to all applications.	 0 0 **0**	 0 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
Housing Stock Condition Survey	20	0	(20)	Due to both a lack of staffing capacity, because of vacancies and sickness absence, and other priorities, namely managing the arrival of Ukrainian refugees, the stock condition survey will now be undertaken in 2023/24. It is therefore requested that the unspent expenditure budget is carried forward to 2023/24.	20	0
Total of explained variances	**(4,177)**	**(4,546)**	**(369)**		**20**	**24**
Other minor balances	22,233	22,332	+99		0	25
Overall Total	**18,056**	**17,786**	**(270)**		**20**	**49**

8.2. Cabinet are asked to approve the differences highlighted in the table above (a £270k 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 (£69k increase in budget, which includes the request to carry forward £20k of budget from 2022/23 to 2023/24), 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 £606k, which were agreed by Council in February 2022. Any under or over delivery of efficiencies will be picked up by any budget variances (table 3 above). However, there can be off-setting variances which mean that it is unclear whether the efficiency has been delivered. Where this is the case, this will be highlighted. The forecast at Quarter One was an overachievement of £589k. The current forecast at the end of Quarter Two is a net overachievement of £881k. The increase of £292k since Quarter One relates to:

- Increase of £418k in the overachievement of forecast interest income from investment of surplus cash balances, as itemised in table three above.
- £50k underachievement of the additional planning income anticipated from the adoption and implementation of the Local Plan, with instead a projected income shortfall reported in table 3 above.
- £48k underachievement of the planned efficiency from the charging for replacement purple residual waste bins, as highlighted and explained in table three above.
- £10k underachievement of the planned efficiency from the charging for replacement garden waste bins. This will not go ahead this year for the same reasons as explained for the purple bin scheme in table 3. The revenue impact has been absorbed by other off-setting variances.
- £16k underachievement of the saving on peripheral software license costs anticipated from the purchase of new Microsoft licenses. This saving primarily related to the cost of Citrix licenses. The project to transition away from Citrix remains ongoing and the overlap is now expected to extend to the end of this financial year. The financial impact has been absorbed by other off-setting variances.
- £2k underachievement of the saving relating to Independent Remuneration Panel expenses. In making its recommendations for 2022/23 the Panel concluded that an annual review was required and therefore an Independent Remuneration Panel has convened again this year to consider and report recommendations for 2023/24.

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 was forecast that all the budgets carried forward will be spent in this year. At Quarter Two it is forecast that the £20k budget carried forward in respect of the Housing Stock condition survey will not be spent, as explained in table 3. All the other budgets carried forward are expected to 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 were green, one indicator was amber, and two of the indicators were red. At the end of Quarter Two, two of the indicators are green, one is amber and three are red. The additional red indicator at Quarter 2 relates to planning application fee income, as highlighted in table 3 above. The amber indicator remains for income from parking PCNs as, while activity and income receipts increased during quarter 2 and closed much of the shortfall (compared to profile budget) apparent at the end of quarter one, there remains a risk that the full year 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)	(147)	(671)	186
Garden Waste Collection Service Subscriptions	Green	(1,139)	(734)	(1,184)	(45)
Commercial Refuse & Recycling Service Income	Green	(1,113)	(637)	(1,153)	(40)
Planning Application Fees (including fees for pre-application advice)	Red	(1,006)	(739)	(726)	280
Car Parking Fees	Red	(1,999)	(868)	(1,801)	198
Parking Penalty Charge Notices (PCNs)	Amber	(573)	(290)	(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 First Half of 2022/23	Performance First Half of 2021/22	Percentage Movement	Direction of Trend
Leisure Centres Management Fee	Number of Leisure Centre visits	742,388	411,330	+80.5%	↑
Garden Waste Collection Service	Number of bin subscriptions at end of quarter 2	24,345	24,947	+2.5%	↑
Commercial Refuse & Recycling Service	Number of customers	949	951	-0.2%	↓
Car Parking Fees	Car park tickets sold / average ticket price sold	566,547 / £1.61	533,607 / £1.52	+6.2% / +5.3%	↑
Parking Penalty Charge Notices	Number of PCNs issued	7,001	7,364	-4.9%	↓

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 in 2022/23.

8.10. At Quarter Two the current forecast of the Council's share of the balance for 2022/23 in respect of the Business Rates Collection Fund is a surplus of around £0.5m and a surplus of £150k on the Council Tax Collection Fund. The forecast surplus on the Business Rates Collection Fund is due to lower levels of retail relief applied to rates bills this year than anticipated when estimates were prepared in January. While the position may change over the second half of the year, in any case Collection Fund surpluses achieved in 2022/23 will not affect the General Fund position at the end of 2022/23 but will affect the level of funding available in 2023/24.

8.11. 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.

8.12. 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 6 below. The rest of the grant received will be held in reserve to fund the repayment of business rate collection fund deficits recorded. Some of the amount held in reserve will therefore be used to fund the £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.

8.13. The Council is also 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 scheme has subsequently awarded reliefs against chargeable business rates amounts for 2021/22 totalling £1.24m, of which the Council's share is £495k. The cost of the reliefs awarded through the fund is included in [has reduced] the forecast net surplus position referred to in paragraph 8.10 above. The compensating grant (£495k) will be charged to the General Fund in this financial year. We would usually carry-forward the grant in a reserve to cover any future shortfalls. However, as a provision was made in the 2021/22 accounts for the non-collection of outstanding arrears, against which the CARF reliefs have now been applied, it is unlikely that there will be a future impact. This will be confirmed as part of the year end collection fund calculations, including calculating the provision for bad debt. It is reasonably likely that the impact will be an increase in the year end General Fund balance of around £495k (compared with the current forecast).

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. At Quarter One £1.630m of this allocation was released, with £1.190m used to mitigate forecast adverse variances and a further £440k forecast to be unused. At Quarter Two only £110k of the provision in respect of Hitchin Town Hall income is not yet allocated, with the impact on demand for winter indoor events not yet known.

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

Table 6 – General Fund impact

	Working Budget **£k**	**Projected Outturn** **£k**	**Difference** **£k**
Brought Forward balance (1st April 2022)	**(10,607)**	**(10,607)**	**-**
Net Expenditure	18,056	17,786	(270)
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	(640)	(640)	0
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)	**(9,554)**	**(9,824)**	**(270)**

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 second quarter a total of £344k has come to fruition. The identified risks realised in the second quarter relate to:

- Income related to planning applications is lower than the budget expectation (as highlighted in table 3 above) - £280k
- Increase to the annual external audit fee negotiated between the Council's External Auditor and Public Sector Audit Appointments (included within the 'other minor variances total' in table 3 above) - £23k.

Table 7 – Known financial risks

	£'000
Original allowance for known financial risks	**1,808**
Known financial risks realised in Quarter 1	(41)
Known financial risks realised in Quarter 2	(303)
Remaining allowance for known financial risks	**1,464**

DEBT WRITE-OFFS

8.17 In accordance with the Council's Financial Regulations, the write-off of debts over £10,000 have to be approved by Cabinet (paragraph 15.5). Write-offs occur where it is determined that it is not practical or possible to collect the amounts owed. It is determined that the Housing Benefit debts in the table below should be written off, for the reasons provided. Due to the age of the debts, the Council has already made a full allowance for the non-collection of these debts, so there will be no net impact on the General Fund.

Table 8 – Debt write-offs

Debt Reference	**Value**	**Reason for write-off**
293275	£53,590	Deceased
299152	£16,541	Court found in favour of appellant
308097	£21,649.31	Deceased
296092	£14,579.81	Individual Voluntary Arrangement (IVA) in place

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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18. BACKGROUND PAPERS

18.1. None.

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

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CABINET
13 DECEMBER 2022

PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: CARELINE – IN-HOUSE PROVISION FOR COMPLEX INSTALLATION AND MAINTENANCE

REPORT OF: **SERVICE DIRECTOR CUSTOMERS**

EXECUTIVE MEMBER: CLLR JUDI BILLING, EXECUTIVE MEMBER FOR COMMUNITY ENGAGEMENT

COUNCIL PRIORITY: PEOPLE FIRST

1. EXECUTIVE SUMMARY

1.1 This report seeks Cabinet approval for the Careline service to expand the in-house installation and maintenance service to include complex installation and maintenance services alongside the non-complex services already provided.

1.2 This service is currently being provided by an external company under a contract with an end date of 31 March 2023.

2. RECOMMENDATIONS

2.1. That Cabinet approves the addition of complex installations and maintenance to Carelines in-house service from 01 April 2023.

3. REASONS FOR RECOMMENDATIONS

The details are contained in the Part II report

4. ALTERNATIVE OPTIONS CONSIDERED

4.1. The details are contained in the Part II report.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

5.1. The Executive Member for Community Engagement, Cllr Judi Billing has been consulted as has the Deputy Executive Member, Cllr Chris Lucas.

5.1. The Shadow Executive Member, Cllr Simon Bloxham, has been consulted and is supportive of this approach.

5.2. The Leader of the Council, Cllr Elizabeth Dennis-Harburg and Executive Member for Finance and IT, Cllr Ian Albert have been consulted and support this approach.

5.3. The Strategic Lead, Assistive Technology at Hertfordshire County Council has also been consulted.

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 10 October 2022.

7. BACKGROUND

7.1. Careline has been providing Telecare services since 1982 both within the County of Hertfordshire and nationally for other councils, registered social landlords and private entities. The service is well respected within the field of Telecare and has built a reputation for offering a good quality of service within the security of a local government regulated environment.

7.2. Careline has been contracted by Hertfordshire County Council (HCC) since 2014 under a SE9EA agreement to provide countywide provision of Assistive Technology (AT) services. The service relies on the provision of technologies within the service users dwelling. Since that time HCC decided to make Careline its sole provider of Assistive Technology services and a new five-year agreement was entered into in 2021.

7.3. Careline acts as HCC's delivery, installation, maintenance, response and monitoring partner for the implementation of AT solutions throughout the County. Careline and HCC work in partnership to service the legacy solutions whilst developing new and innovative models of support utilizing data analytics, machine learning, artificial intelligence etc, to predict and resolve potential crises before they develop.

7.4. The new contract with HCC in 2021 saw an additional 3,300 clients transfer across to Careline and with this brought additional requirements for maintenance services.

8. RELEVANT CONSIDERATIONS

8.1. Careline has been contracted since 2014 under a SE9EA agreement by HCC to provide countywide provision of Assistive Technology services. The service relies on the provision of technologies within the service user's home. These are installed by technicians who carry out in person visits to the service user's home. Additionally, there are some ancillary support elements that are conducted either at the time of installation or through the life of the service provision such as form filling and battery replacements.

8.2. When the service expansion took place during 2021, the client base increased by 3,300, the service transfer completed successfully and introduced technician skills into the team to deal with switching devices from analogue to digital ahead of the national 2025 switchover deadline.

9. LEGAL IMPLICATIONS

9.1. The provision and management of the Careline function is delegated to the Service Director Customers except those reserved to Council, Cabinet or a Committee as set out at 14.6.7 b (i) of the Constitution.

9.2. Under the terms of reference for Cabinet, the Constitution states at 5.6.3 that Cabinet are to take decisions on resources and priorities, together with other stakeholders and partners in the local community.

9.3. Additionally, at 5.6.15 that Cabinet oversee the provision of all the Council's services other than those functions reserved to the Council.

9.4. Under section 3 of the Local Government Act 1999 the Council has a general 'best value' duty to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

9.5. Whatever the course of action the Council decides to take, it will be necessary to engage legal support in terms of engaging with the incumbent provider regarding possible staff transfer pursuant to the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE), if applicable, either to the Council (if the service is brought in-house in line with this recommendation) or any replacement/alternative provider.

10. FINANCIAL IMPLICATIONS

10.1 The details are contained in the Part II report

11. RISK IMPLICATIONS

11.1 The details are contained in the Part II report

12. EQUALITIES IMPLICATIONS

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

12.2. This report recommends NHC providing a service to users of Careline who in the main will have a protected characteristic, the recommendation to bring the service in-house will ensure those with a protected characteristic are able to receive the support of the Careline service and benefit from the independence the service affords its users.

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. An Environmental Impact Assessment has previously been undertaken and the environmental impacts of the proposal are positive, the positive impacts include the use of electric vehicles, potentially less driving through more efficient routing of jobs and increased levels of equipment refurbishment to reduce landfill.

15. HUMAN RESOURCE IMPLICATIONS

15.1 The details are contained in the Part II report

16 APPENDICES

16.1 None

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18. BACKGROUND PAPERS

18.1 None