

3 March 2023

Our Ref Cabinet/14 March 2023
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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 CHAMBERS, DISTRICT COUNCIL OFFICES,
GERNON ROAD, LETCHWORTH GARDEN CITY, SG6 3JF**

on

TUESDAY, 14TH MARCH, 2023 AT 7.30 PM

Yours sincerely,

Jeanette Thompson
Service Director – Legal and Community

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

Agenda **Part I**

Item		Page
1.	APOLOGIES FOR ABSENCE	
2.	MINUTES - 31 JANUARY 2023 To take as read and approve as a true record the minutes of the meeting of the Committee held on the 31 January 2023.	(Pages 5 - 14)
3.	NOTIFICATION OF OTHER BUSINESS Members should notify the Chair of other business which they wish to be discussed at the end of either Part I or Part II business set out in the agenda. They must state the circumstances which they consider justify the business being considered as a matter of urgency. The Chair will decide whether any item(s) raised will be considered.	
4.	CHAIR'S ANNOUNCEMENTS <u>Climate Emergency</u> The Council has declared a climate emergency and is committed to achieving a target of zero carbon emissions by 2030 and helping local people and businesses to reduce their own carbon emissions. A Cabinet Panel on the Environment has been established to engage with local people on matters relating to the climate emergency and advise the council on how to achieve these climate change objectives. A Climate Change Implementation group of councillors and council officers meets regularly to produce plans and monitor progress. Actions taken or currently underway include switching to green energy, incentives for low emission taxis, expanding tree planting and working to cut food waste. In addition the council is a member of the Hertfordshire Climate Change and Sustainability Partnership, working with other councils across Hertfordshire to reduce the county's carbon emissions and climate impact. The Council's dedicated webpage on Climate Change includes details of the council's climate change strategy, the work of the Cabinet Panel on the Environment and a monthly briefing on progress. <u>Declarations of Interest</u> Members are reminded that any declarations of interest in respect of any business set out in the agenda, should be declared as either a Disclosable Pecuniary Interest or Declarable Interest and are required to notify the Chair of the nature of any interest declared at the commencement of the relevant item on the agenda. Members declaring a Disclosable Pecuniary Interest must withdraw from the meeting for the duration of the item. Members	

declaring a Declarable Interest, wishing to exercise a 'Councillor Speaking Right', must declare this at the same time as the interest, move to the public area before speaking to the item and then must leave the room before the debate and vote.

5. PUBLIC PARTICIPATION

To receive petitions, comments and questions from the public.

6. ITEMS REFERRED FROM OTHER COMMITTEES

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

7. SUSTAINABILITY SPD

REPORT OF THE SERVICE DIRECTOR – REGULATORY

(Pages
15 - 22)

We are preparing a Sustainability Supplementary Planning Document (SPD) to provide additional detail and clarity to Local Plan Policy SP1 (Sustainable Development in North Hertfordshire) and other relevant policies in the Plan.

8. STATEMENT OF COMMUNITY INVOLVEMENT - DRAFT FOR PUBLIC CONSULTATION

REPORT OF THE SERVICE DIRECTOR – REGULATORY

(Pages
23 - 62)

To consider the revised draft of the Statement of Community Involvement and agree that it is published for public consultation.

9. THIRD QUARTER 2022/23 INVESTMENT STRATEGY (CAPITAL AND TREASURY)

REPORT OF THE SERVICE DIRECTOR – RESOURCES

(Pages
63 - 94)

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

10. THIRD QUARTER REVENUE BUDGET MONITORING 2022/23

REPORT OF THE SERVICE DIRECTOR - RESOURCES

(Pages
95 - 108)

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 third quarter.

11. Q3 UPDATE ON COUNCIL DELIVERY PLAN

REPORT OF THE SERVICE DIRECTOR – RESOURCES

(Pages
109 -
138)

An update on the projects, pi's and risks relating to delivery of the Council Plan 22-23

12. 2023-24 PERFORMANCE MANAGEMENT MEASURES - COUNCIL DELIVERY PLAN

REPORT OF THE SERVICE DIRECTOR – RESOURCES

(Pages
139 -
164)

A report on the proposed projects pi's and risks supporting delivery of the Council Plan to be monitored throughout 23-24

- 13. RIPA POLICY UPDATE** (Pages
REPORT OF THE LEGAL REGULATORY TEAM MANAGER AND DEPUTY 165 -
MONITORING OFFICER 196)

To provide an annual update and proposed amendments to the Council's current RIPA Policies following new legislation.

- 14. LEISURE MANAGEMENT CONTRACT UPDATE** (Pages
REPORT OF THE SERVICE DIRECTOR - PLACE 197 -
204)

To seek the authority to proceed with a Competitive Procedure with Negotiation (CPN) procurement for the Leisure Management contracts which are due to expire in March 2024.

Public Document Pack Agenda Item 2

NORTH HERTFORDSHIRE DISTRICT COUNCIL

CABINET

MEETING HELD IN THE COUNCIL CHAMBERS, DISTRICT COUNCIL OFFICES, GERONON ROAD, LETCHWORTH GARDEN CITY, SG6 3JF ON TUESDAY, 31ST JANUARY, 2023 AT 7.30 PM

MINUTES

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

In Attendance:

Nigel Smith (Strategic Planning Manager), Anthony Roche (Managing Director), James Lovegrove (Committee, Member and Scrutiny Manager), Ian Fullstone (Service Director - Regulatory), Ian Couper (Service Director - Resources), Isabelle Alajooz (Legal Commercial Team Manager and Deputy Monitoring Officer), Eleanor Hopcraft (Committee, Member & Scrutiny Officer), Martin Lawrence (Strategic Housing Manager) and Anne Banner (Benefits Manager)

Also Present:

At the commencement of the meeting approximately 2 members of the public, including registered speakers.

158 APOLOGIES FOR ABSENCE

Audio recording – 2 minutes 24 seconds

There were no apologies for absence received.

159 MINUTES - 13 DECEMBER 2022

Audio Recording – 2 minutes 37 seconds

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

RESOLVED: That the Part 1 Minutes of the Meeting of the Committee held on 13 December 2022 be approved as a true record of the proceedings and be signed by the Chair.

160 NOTIFICATION OF OTHER BUSINESS

Audio recording – 3 minutes 20 seconds

There was no other business notified.

161 CHAIR'S ANNOUNCEMENTS

Audio recording – 3 minutes 26 seconds

- (1) The Chair advised that, in accordance with Council Policy that the meeting was being audio recorded as well as filmed. The audio recording would be available on Mod Gov or via the Council's YouTube Channel.

- (2) The Chair reminded Members that the Council has declared a Climate Emergency. This was a serious decision and means 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. More details were included on the agenda front sheet.
- (3) The Chair reminded Members to make declarations of interest before an item, the detailed reminder about this and speaking rights was set out under the Chair's Announcements in the Agenda.
- (4) The Chair advised for purposes of clarification that 4.8.23(a) of the constitution did not apply to this meeting.

162 PUBLIC PARTICIPATION

Audio recording – 4 minutes 38 seconds

The Chair advised that Bernard Lovewell and Martin Stears-Hanscomb from the Black Squirrel Credit Union were present to provide a presentation. This would be given before the presentation of Item 9 'The Allocation of the DLUHC Grant'.

163 ITEMS REFERRED FROM OTHER COMMITTEES

Audio recording – 5 minutes 9 seconds

The Chair advised that the two items referred from the Finance, Audit and Risk Committee would be taken with the respective items on the agenda.

164 DEVELOPER CONTRIBUTIONS SPD

Audio Recording – 5 minutes 36 seconds

Councillor Ruth Brown presented the report entitled 'Developer Contributions SPD' and advised of the following:

- In September, Members voted to send the draft Developer Contributions SPD to public consultation and this had now been completed.
- Following the close of the consultation, amendments were made to the SPD and it was now recommended for adoption.
- This SPD was crucial for ensuring the developers make a fair contribution to infrastructure when planning permission is granted.
- The SPD provided clarity, certainty and consistency and especially secured contributions for environmental measures.
- It gave the Council's Planning Officers a policy platform for negotiations with developers to get the best for the community.

The following Members asked questions:

- Councillor Steve Jarvis

In response to those questions, Councillor Brown advised:

- There would be a timeline for the additional SPDs and updates, including the Sustainability SPD.

Nigel Smith, Strategic Planning Manager, advised:

- It was up to the Council when SPDs would be updated, and they can be updated when needed.

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

RESOLVED:

- (1) That the Developer Contributions SPD, attached as Appendix A to the report, was adopted.
- (2) That the 2006 Planning Obligations SPD was revoked.
- (3) That delegated authority was 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 of presentational alterations) to the adopted Developer Contributions SPD as considered necessary for publication and publicity in accordance with the relevant regulations.

REASON FOR DECISIONS

- (1) To allow the Developer Contributions SPD to be adopted so that it can support the delivery of the policies in the recently adopted Local Plan and ensure an efficient process of securing developer contributions across the District.

165 STRATEGIC PLANNING MATTERS

Audio recording – 9 minutes 21 seconds

Councillor Ruth Brown presented the report entitled ‘Strategic Planning Matters’ and advised of the following:

- The Sustainability SPD was expected in March, the Biodiversity SPD expected June/July and the Design Code SPD in Autumn.
- Master Planning processes were well underway, with a webpage to look at applications in the Master Planning stage.
- Strategic Sites and Master Planning Board remit was being widened to include the Executive Member for Environment and Leisure and the Officer for Climate Change.
- There were lots of planning reforms proposed in the Levelling up and Regeneration Bill.
- The Hertfordshire Infrastructure Partners Planning and Partnership Board had a discussion around this, with a joint response being submitted across Hertfordshire and local authorities submitting individual responses.
- Article 4 Directions for Town Centres had been previously adopted.
- LCWIP adoption had been delayed due to significant comments from residents, and County Council had not had the time to respond.
- It was important the comments from residents were taken into consideration.
- Herts County Council had confirmed this will not risk the accessibility of funds.
- The tender for the EV charging points in North Hertfordshire car parks had closed and was under evaluation.

The following Members asked questions:

- Councillor Amy Allen

In response to the questions Councillor Brown advised:

- The current decision was not to have the Executive Member for Recycling and Waste on the Strategic Sites and Master Planning Board.

Nigel Smith, Strategic Planning Manager, advised:

- Other Executive Members could attend the Strategic Sites and Master Planning Board by invitation.
- Ward members could also attend with certain Strategic Sites are being discussed.

The Chair commented that it was important that the Executive Member for Recycling and Waste was included in discussions when relevant to the portfolio.

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

RESOLVED: That Cabinet:

- (1) Noted the report.
- (2) Noted and endorsed the Officer responses attached as Appendices A to C.

REASON FOR DECISIONS:

- (1) To keep Cabinet informed of recent developments on strategic planning matters.

166 THE ALLOCATION OF DLUHC HOMELESSNESS GRANT

Audio Recording – 16 minutes 25 seconds

The Chair invited Bernard Lovewell and Martin Stears-Hanscomb, Black Squirrel Credit Union (BSCU), to provide a presentation.

Mr. Lovewell and Mr. Stears-Hanscomb thanked the Chair, gave a presentation, with slides and advised:

- BSCU commenced operations in July 2002.
- They operated in North Hertfordshire and surrounding areas and used savings to provide loans at a low interest rate of 1%.
- BSCU had 1028 members, with £908k in active loans.
- The number of loans provided by the Credit Union had fluctuated over the years.
- In 2010, the BSCU formed a partnership with North Hertfordshire District Council.
- The Grant Fund had covered provisions for bad debt, administration and legal fees for the BSCU.
- The partnership had many benefits, including quick payments to those in need and reduced costs due to an in-house administration and legal team.

The following Members asked questions:

- Councillor Ian Albert

In response to the question, Mr. Lovewell and Mr. Stears-Hanscomb advised:

- The decreased number of loans in 2023 could be due to residents deciding to move out of the district to cheaper housing.
- There was still a demand for loans, but the figures varied year to year.

Martin Lawrence advised that the private rented sector was unpredictable, which had led to some residents to rent in cheaper areas outside of the district. Further, many residents could not afford to take out a loan.

Members thanked Mr. Lovewell and Mr. Stears-Hanscomb for their work with the BSCU.

Mr. Stears-Hanscomb thanked the Chair and the Housing Team and commented on the good relationship that the BSCU had with the Council.

The Chair thanked Mr. Lovewell and Mr. Stears-Hanscomb for their presentation.

Councillor Sean Prendergast presented the report entitled 'The Allocation of DLUHC Homelessness Grant' and advised of the following:

- The report covered recommendations 2.1 to 2.5.
- There was an additional recommendation in relation to 2.6.
- Section 8.1.1 outlined the intended £63.2K grant to the Black Squirrel Credit Union.
- Sections 8.1 to 8.9 covered the subsidy loss issues, and section 8.7 highlighted the national issues with accommodation.
- There was a large amount of subsidy loss in relation to hotels. However, the Council was able to use a higher subsidy rate to increase to rate reclaimable from the Department of Work and Pensions.
- Section 8.12 covered the intended £6.8k grant to the Herts County Council Crashpad scheme, which provided emergency accommodation to homeless young people.
- Section 8.13 covered the intended £80k grant to Beam, a social enterprise organisation that supported individuals at risk of homelessness by accessing privately rented accommodation and job opportunities.
- An addendum to section 8.6 Local Authority Housing Fund. There were difficulties supporting this scheme, and the government timescales were unrealistic.

Anthony Roche, Managing Director, provided a verbal update and advised:

- Since publication of the addendum report, the Council had continued to work to find a way to make the scheme viable.
- In relation to RP4, while the LHA were keen to make the scheme work, it would not work financially.
- In relation to RP5, other enquiries had been made, with no response.
- The Council had been checking in with other Local Authorities to try and make the scheme viable.
- Settle had put forward one large property under the bridging allocation, and two smaller properties under the main allocation.
- There was potential to submit this to government for decision.
- The funding prospectus validation form was not a commitment, with an extra month to liaise with settle to work on detail before signing a Memorandum of Settlement.
- Other Hertfordshire local authorities may only deliver one large property under the bridging element with many smaller properties under the main element.

Councillor Prendergast proposed and Councillor Dennis-Harburg seconded the recommendations.

The Chair commented on the frustration felt on succeeding and delivering this project in a short timeframe. She commended the Officers and Settle for their work in delivering the project, and that submitting the validation form on 3 February 2023 would be the best step forward.

Councillor Brown commented on her support on the project and commented on the need to put in the validation form to support those who need housing.

N.B Councillors Ian Albert and Keith Hoskins advised that they Board Members of the Black Squirrel Credit Union and therefore would not take part on the vote on recommendation 2.4.

Councillor Prendergast proposed and Councillor Dennis-Harburg seconded and after a vote, it was:

RESOLVED: That Cabinet:

- (4) Approved allocations of HPG for 2022/23 to the Black Squirrel Credit Union (£63.2k), Herts County Council Crashpad Service (£6.8k) and Beam (£80k).

Councillor Prendergast proposed and Councillor Dennis-Harburg seconded and after a vote, it was:

RESOLVED: That Cabinet:

- (1) Noted the allocation of HPG funding (2022/23) of £40k to cover the Department of Work and Pensions (DWP) subsidy loss on the Keystage Housing service for the most recent period (Until the end of December 2022) and authorised HPG usage for the projected cost of a further £15k to end of the current financial year.
- (2) Approved the allocation of future HPG allocations to cover DWP subsidy loss created by the accommodation of homeless people in future years, to be included as part of the quarterly budget monitoring process.
- (3) Noted the corporate Financial Risk concerning the cost of measures to address homelessness will be broadened to include DWP subsidy loss.
- (5) Agreed that any remaining HPG for 2022/23 be allocated by the Director of Regulatory Services in consultation with the Executive Member for Housing and Environmental Health.
- (6) Noted the DLHUC's single Homelessness Accommodation Programme and its Local Authority Housing Fund.
- (7) Noted the update on the Local Authority Housing Fund and wished to support the scheme if it can. Therefore, as Settle has indicated that it was able to provide one larger property and two smaller properties, if that was at a social rent the Council would submit the validation form seeking to pursue that opportunity.
- (8) Requested that Officers feedback to government the difficulties with the scheme, which have prevented the Council taking the full allocation.
- (9) Delegated to the Service Director Regulatory and the Service Director Resources, in consultation with the Executive Member for Housing and Environmental Health and Executive Member for Finance and IT, the final decision on submission of the validation form.

REASON FOR DECISIONS

- (1) The Council's Housing Strategy 2019-2024 outlines the Council's support for residents with housing challenges and the collective measures outlined in paragraph 2 will benefit

homeless people locally, providing support for targeted interventions that will prevent and relieve homelessness.

167 REVENUE BUDGET 2023/24

Audio Recording – 54 minutes 44 seconds

Ian Couper, Service Director – Resources, presented the referral from the Finance, Audit and Risk Committee. He commented that the Committee was interested in the general funding, balance calculations and various budget risks that were outlined in the report. He summarised that the Finance, Audit and Risk Committee were happy to pass this referral on to Cabinet for consideration.

Councillor Ian Albert, the Executive Member for Finance and IT, presented the report entitled 'Revenue Budget 2023/24' and advised:

- The report covered various elements of setting the budget for 2023/24.
- Overall, the Government settlement was better than forecast but was less than inflation, which would have an impact on the Council and its residents.
- Paragraph 8.24 advised that the medium and short term positions were better than forecast, so less reserves would be used.
- Based on current forecasts, the Council could afford to be slower with the delivery of savings so that they could hopefully be delivered when the Cost-of-Living crisis had subsided, but overall needed to deliver annual savings of £2.5million in future.
- Paragraph 8.27 detailed uncertainties that may affect saving levels and timings.
- Paragraph 8.22 advised that it was sensible to set aside a central budget for the ongoing impacts of COVID, which would need to be reviewed.
- The report advised a Council Tax increase of 2.99%, which would maintain services in the medium term.
- The Capital Programme would be reviewed as there was significant revenue impacts arising from the forecasted capital spends.
- Overall, the Revenue Budget for 2023-2024 was prudent and affordable.
- The Executive Member proposed an additional recommendation which would create a Community Wealth Fund for one year, totalling £100k.

The Chair commented that she was pleased the additional recommendation had made it to Cabinet, as it would support communities across the district.

Councillor Steve Jarvis commented on the amendment of the Capital Programme that would reduce the proposal to expand the Mausoleum. He asked the Service Director: Resources about how the Mausoleum reserve would be distributed elsewhere.

Councillor Jarvis also commented that following a successful 2-week extension of the opening times of the Outdoor Pool in Letchworth this summer at low costs, there was chance to extend it by 4 weeks this upcoming summer.

In response to Councillor Jarvis, Ian Couper advised:

- He was made aware of the Mausoleum item after the two reports were written.
- The Mausoleum item had three knock-on impacts: reduce the savings in future years, remove the capital line in relation to the building of the new Mausoleum and release the Mausoleum specific reserve back into the General Fund reserve.

Councillor Albert and Councillor Dennis-Harburg seconded and after a vote, it was:

RECOMMENDED TO COUNCIL: That Council

- (1) Notes the position on the Collection fund and how it will be funded.
- (2) Notes the position relating to the General Fund balance and that due to the risk identified a minimum balance of £2.5million was recommended.
- (3) Notes the net revenue savings that are likely to be required in future years, combined with the Chief Finance Officer's commentary on the reliability of estimates and the resilience index.
- (4) Approves the revenue savings and investments as detailed in Appendix B.
- (5) Approves a net expenditure budget of £18.123m, as detailed in Appendix C.
- (6) Approves a Council Tax increase of 2.99%, which was in line with the provisions in the Medium term Financial Strategy.
- (7) Approves that the revenue investment for leisure centre condition surveys (as detailed in Appendix B, reference R13) was brought forward so that it can be spent in 2022/23.
- (8) Approves an additional revenue investment (for 2023/24 only) to create a Community Wealth Fund of £100k to support the local community in delivering projects that have wider community benefits.

REASON FOR REFERRALS:

- (1) To ensure that all relevant factors are considered in arriving at a budget and Council Tax level for 2023/24 as set out in the Council Plan.

168 INVESTMENT STRATEGY (INTEGRATED CAPITAL AND TREASURY)

Audio Recording – 65 minutes 51 seconds

Ian Couper, Service Director: Resources presented the referral from the Finance, Audit and Risk Committee. He advised that Members of the Committee asked questions on different report aspects. He highlighted a section in the Investment Strategy that centred around where possible, seeking to invest in green and ESG investments. There was presentation issue between the Budget and Investment Reports, but that did not have a material impact, and this would be updated before the next Council meeting. In summary, the Finance, Audit and Risk Committee were happy to refer this report to Cabinet for consideration.

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

- The report detailed the Capital Programme and Treasury Management.
- The Executive Member highlighted an error in paragraph 5.1 in relation to CCTV cameras. The figure was £0.15million, not £0.015million, but that numbers were correct in the workings and appendix.
- The Capital Spend had a revenue impact in terms of minimum revenue provision and had lost investment interest.
- The Capital Programme needed to be kept under review.
- It was proposed to change the sovereign (country) rating of investments in non-UK banks from AAA to A- to allow more countries to pass and to diversify investments.
- The Council were looking to make investments that meet green and ESG criteria, where these are available.

- Following the discussion around LHAF, if the Council was planning to pass funding straight through to another party, it should be added to the Capital Programme.
- It was likely that the Capital Programme would need amending to accommodate this.
- In relation to the error identity by FAR, the Service Director confirmed that the presentational difference had no material impact on the report and the appendix will be updated to reflect this before the Council meeting.

Councillor Ian Albert proposed and Councillor Amy Allen seconded and, following a vote, it was:

RECOMMENDED TO COUNCIL: That Council:

- (1) Approves the adoption of the Investment Strategy (as attached at Appendix A), including the capital programme and prudential indicators.
- (2) Approves the adoption of the four clauses in relation to the Code of Practice on Treasury Management (as detailed in Paragraphs 8.11 to 8.16).

REASON FOR REFERRALS:

- (1) To ensure that the capital programme meets the Council's objectives and officers can plan the implementation of the approved schemes.
- (2) To ensure the Council's compliance with the CIPFA's code of practice on Treasury Management, the Local Government Act 2003, statutory guidance from the Department of Levelling Up, Housing and Communities (DLUHC) and the CIPFA Prudential Code. As well as determining and managing the Councils risk appetite in respect of investments.

The meeting closed at 8.40 pm

Chair

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CABINET
14 MARCH 2023

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: Sustainability SPD – Overview

REPORT OF: *Service Director - Regulatory*

EXECUTIVE MEMBER: *Cllr Ruth Brown, Executive Member for Planning & Transport*

COUNCIL PRIORITY: SUSTAINABILITY

1. EXECUTIVE SUMMARY

We are preparing a Sustainability Supplementary Planning Document (SPD) to provide additional detail and clarity to Local Plan Policy SP1 (Sustainable Development in North Hertfordshire) and other relevant policies in the Plan.

The SPD will provide information as to our sustainability expectations for development in North Herts and offer guidance to developers and case officers when determining planning applications.

This SPD is the first of three SPD's that will address overarching sustainability in North Herts and will be followed by Biodiversity and Design SPD's.

2. RECOMMENDATIONS

- 2.1. That the proposed structure and breadth of the draft Sustainability SPD be approved.
- 2.2. That the issues and points raised by the Cabinet Panel on the Environment be noted.
- 2.3. That, for the purposes of developing the draft SPD, Cabinet endorse the principles of:
 - i. A tiered approach to assessing the sustainability of new buildings in terms of both built fabric and operational efficiency; and
 - ii. investigation of the application of parking standards, both residential and non-residential, with a view to reducing or offsetting them where appropriate.

3. REASONS FOR RECOMMENDATIONS

- 3.1. To allow the Sustainability SPD to be progressed so that it may be publicly consulted upon with a view to being adopted in due course.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. The Council could decide to not progress the draft Sustainability SPD. However, given the Climate Emergency that the Council passed on 21 May 2019 combined with the extraordinary timescale of the Local Plan Examination and its subsequent adoption on 8 November 2022, the policies contained therewith require additional guidance on their interpretation to properly reflect the profile of sustainability.
- 4.2. This accords with the decision made by Cabinet in March 2021 which set out the revised and updated programme of SPD's to support the Council's corporate priorities.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1. The Cabinet Panel on the Environment was presented with an outline structure developed by the Strategic Planning Team. The structure was discussed, and the following issues were requested to be included in the draft document
 - No mains gas supply to new properties
 - A minimum of 40cm insulation in walls
 - The orientation of buildings should maximise solar gain
 - The inclusion of circularity, and recognition of the circular economy
- 5.2. Internal consultation with relevant officers across Council departments have been involved in developing the draft SPD outline.

6. FORWARD PLAN

- 6.1 This report contains a recommendation on a key Executive decision that was first notified to the public in the Forward Plan on the 23 January 2023.

7. BACKGROUND

- 7.1. The National Planning Policy Framework (NPPF) defines Supplementary Planning Documents (SPDs) as documents which add further detail to the policies in the development plan. SPDs are capable of being a material consideration in planning decisions but are not part of the statutory Development Plan. SPDs are not subject to an independent examination but are required to undergo public consultation.
- 7.2. Following a review of the Council's planning guidance, it was identified that the Council's sustainability guidance should be prioritised for revision because Policy SP1 in the adopted Local Plan does not fully reflect current aspirations for sustainability.
- 7.3. To ensure that all the relevant aspects of sustainability are addressed in the SPD, we have decided to frontload the usual process to give Members the opportunity to input into the document to make certain that all the elements of sustainability that are felt to be relevant to North Herts are included prior to the drafting of the document.
- 7.4. The Local Plan contains policies with implications for sustainability. The main policy 'hooks' that link to the ability for the Council to seek sustainability in developments is in Local Plan Policy SP1: Sustainable development in North Hertfordshire and Policy D1: Sustainable design.

- 7.5. Policy SP1: Sustainable development in North Hertfordshire, criterion c), in particular, seeks to encourage sustainable development within North Herts. However, it does not fully reflect the aspirations of the present day and the direction of travel that the Council is taking in terms of climate change and sustainability. The SPD would build upon and expand this criterion by providing more robust guidance for developers to ensure that North Herts can achieve an improved level of sustainability in its developments.

Policy SP1: Sustainable development in North Hertfordshire

This Plan supports the principles of sustainable development within North Hertfordshire. We will:

- a) Maintain the role of key settlements within and adjoining the District as the main focus for housing, employment and new development making use of previously developed land where possible;
- b) Ensure the long-term vitality of the District's villages by supporting growth which provides opportunities for existing and new residents and sustains key facilities;
- c) Grant planning permission for proposals that, individually or cumulatively:
 - i. deliver an appropriate mix of homes, jobs and facilities that contribute towards the targets and aspirations in this Plan;
 - ii. create high-quality developments that respect and improve their surroundings and provide opportunities for healthy lifestyle choices;
 - iii. provide the necessary infrastructure required to support an increasing population;
 - iv. protect key elements of North Hertfordshire's environment including biodiversity, important landscapes, heritage assets and green infrastructure (including the water environment); and
 - v. secure any necessary mitigation measures that reduce the impact of development, including on climate change; and
- d) Support neighbourhood plans and other local planning initiatives where they are in general conformity with the strategic policies of this Local Plan.

- 7.6. Policy D1: Sustainable design, builds upon the intentions of Policy SP1 in terms of sustainable development, but the SPD will provide more detail about how this can be achieved and the standards of which the Council will be requiring.

Policy D1: Sustainable design

Planning permission will be granted provided that development proposals:

- a) Respond positively to the site's local context;
- b) Take all reasonable opportunities, consistent with the nature and scale of the scheme, to:
 - i. create or enhance public realm;
 - ii. optimise the potential of the site by incorporating Sustainable Drainage Systems (SuDS);
 - iii. reduce energy consumption and waste;
 - iv. retain existing vegetation and propose appropriate new planting;
 - v. maximise accessibility, legibility and physical and social connectivity both internally and with neighbouring areas;
 - vi. future proof for changes in technology and lifestyle;
 - vii. design-out opportunities for crime and anti-social behaviour; and
 - viii. minimise the visual impact of street furniture and parking provision;
- c) Have regard to the Design SPD, and any other relevant guidance;
- d) Within Letchworth Garden City have regard to the Letchworth Garden City Design Principles contained in Appendix 5; and
- e) For residential schemes, meet or exceed the nationally described space standards and optional water efficiency standards.

7.7. It is worth noting, also, that since the North Herts Local Plan was examined, other authorities, notably Bath and North East Somerset, have adopted what effectively amounts to a series of net-zero policies in a partial review of their Local Plan. The Inspectors report noted that restrictive Government guidance on plan-making was still in force but has now been “overtaken by events”.

7.8. The commentary in the report is helpful in framing our SPD and the interpretation of our Policies SP1 and D1 for reducing impacts on climate change and delivering energy efficiency.

8. RELEVANT CONSIDERATIONS

8.1. The draft Sustainability SPD will seek to incorporate a range of both technical guidance and any specific guidance for North Herts. This includes:

- Energy Efficiency
 - Site layout and design
 - Building orientation
 - Thermal mass
 - Natural ventilation
 - Insulation
 - Airtightness
 - Solar gain
 - Glare
- Low Carbon and Renewable Energy
 - Solar panels
 - Ground source heat pumps
 - Air source heat pumps
 - Biomass
 - Hydroelectric power
 - Wind energy
- Passive Design
- Electric Vehicle Charging Points
- Waste

- Materials
- Water Use
 - Reducing water use
 - Rainwater harvesting
 - Greywater re-use
- Adaptation to Climate Change
 - Sustainable Drainage Systems
- Zero Carbon
- Zero Waste
- Sustainable Transport
- Sustainable Materials
- Land Use and Wildlife
- Culture and Community
- Health and Wellbeing

- 8.2. Subject to approval by Cabinet on the direction of travel, it is intended that these subject areas are expanded upon, and the draft SPD will be worked up in advance of its public consultation later in the year.
- 8.3. Some of this guidance relatively generic. However, there are opportunities to develop North Herts-specific approaches. In particular, the interpretation of the extent of sustainable transport and what this could look like in North Herts. For example, residential parking standard are set out in the Local Plan but do not necessarily require on plot provision and/or allow for reductions in certain circumstances.
- 8.4. The Sustainability SPD provides the opportunity to explore this area further, e.g. the consideration of car clubs, communal off-plot parking that might be repurposed if individual car ownership declines over time, mobility hubs, demand-responsive transport, accessibility standards. The implementation of such facilities might allow for parking provision reductions to be supported and/or allow standards to be met in part or offset by other forms of provision
- 8.5. The SPD also offers the opportunity to incorporate a sustainability standards approach similar to the approach adopted by Harlow Gilston Garden Town (set out below)

Minimum Requirements (Low Quality)	Net Zero-Carbon by 2050 (Medium Quality)	Net Zero-Carbon by 2030 (Garden Town High Quality)
These are policy-compliant / Building Regulations compliant, but do not meet Climate Declaration targets	These targets meet ultimate goal, but 20 years slower	These targets meet HGGT goal and Climate Declarations
This sets out what HGGT consider low quality standards / outcomes	This sets out what HGGT consider medium quality standards/ outcomes	This sets out what HGGT consider high quality standards/ outcomes
Outline Planning Submission	Outline Planning Submission	Outline Planning Submission

8.6. These standards would be adapted to e.g. current building regs, the timescales and ambitions in the Council’s Climate Change Emergency Declaration and Climate Change Strategy

9. LEGAL IMPLICATIONS

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

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

10. FINANCIAL IMPLICATIONS

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

11. RISK IMPLICATIONS

11.1. There are no new risk implications arising from this report. The Council has changed how it sets and monitors risks, as reported to Cabinet in March 2022. This will see a shift to strategic risks based on key projects such as the Local Plan.

11.2. The risks associated with not producing a Sustainability SPD include:

- lack of clarity and uncertainty to case officers and applicants when negotiating and determining planning applications;
- lack of consistency with the Local Plan as well as national planning policy and guidance; and
- a risk of not securing the maximum range and / or amount of sustainability measures possible.

12. EQUALITIES IMPLICATIONS

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

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

13. SOCIAL VALUE IMPLICATIONS

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

14. ENVIRONMENTAL IMPLICATIONS

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

15. HUMAN RESOURCE IMPLICATIONS

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

16. APPENDICES

16.1 None

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18. BACKGROUND PAPERS

18.1 [North Herts Local Plan, November 2023](#)

18.2 [Cabinet Report, 16 March 2021](#)

18.3 [Inspectors Report to Bath and North East Somerset Council](#)

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**CABINET
14 MARCH 2023**

PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT : STATEMENT OF COMMUNITY INVOLVEMENT – DRAFT FOR PUBLIC CONSULTATION

REPORT OF THE SERVICE DIRECTOR - REGULATORY

EXECUTIVE MEMBER : PLANNING AND TRANSPORT

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

1. EXECUTIVE SUMMARY

- 1.1. To consider the revised draft of the Statement of Community Involvement and agree that it is published for public consultation.

2. RECOMMENDATIONS

- 2.1. That the Council's current Statement of Community Involvement should be revised and replaced having regard to the factors outlined in this report.
- 2.2. That subject to recommendation 2.1, the revised draft Statement of Community Involvement (SCI) as attached as Appendix A to this report, be noted and approved for a six week public consultation.

3. REASONS FOR RECOMMENDATIONS

- 3.1. Officers consider that the SCI should be updated to reflect the change in emphasis from preparing the local plan to its implementation, particularly through masterplanning.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. To determine, following a review, that there is no requirement to revise and replace the Council's current SCI. This option is not recommended for the reasons set out below.
- 4.2. To produce a revised draft SCI with different content or requirements to those set out in Appendix A. This option is not recommended. Officers consider the attached draft contains an appropriate framework of measures to ensure effective engagement with the community on planning matters. This is a consultation document and any comments or suggestions received in response to the proposed consultation can be taken into account prior to finalising the document.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1. The Executive Members and Deputy Executive Members for Community Engagement and Planning and Transport have been given the opportunity to comment on the draft revised SCI. No comments have been received.

6. FORWARD PLAN

- 6.1 This report contains a recommendation on a Key Executive decision that was first notified to the public in the Forward Plan on the 23 December 2022.

7. BACKGROUND

- 7.1. The Statement of Community Involvement (SCI) sets out how the Council will consult the local community in preparing local planning documents, in undertaking relevant consultations for neighbourhood plans and in consultations for planning applications.
- 7.2. The SCI was last updated in 2020 and adopted by the Council on 21 July 2020. The Town and Country Planning (Local Planning) (England) (Amendment) Regulations 2017 introduced a requirement that a review of an SCI must be completed every five years, starting from the date of adoption.
- 7.3. Planning Practice Guidance (paragraph reference [ID 61-071-20190315](#)) states that a local planning authority may review and update their SCI at the same time as reviewing and updating a plan to reflect what action is taken to involve the community in any change to the plan. It is considered that the change of focus towards the implementation of the plan is an appropriate time to review the SCI.

8. RELEVANT CONSIDERATIONS

- 8.1. A Statement of Community Involvement was first published by the Council in 2006 and has been reviewed on a number of occasions. The changes made in the last review in 2020 were made to acknowledge the ongoing changes in technology and in particular to reflect the changes to public consultation during the Covid-19 pandemic.
- 8.2. Following the adoption of the Local Plan in November 2022, officers have reviewed the SCI and recommend that it is revised to change its emphasis, away from local plan preparation to how we will engage the community in the implementation of the allocated strategic sites. A new section has been included in the SCI which sets out how we might consult the community in the preparation of the masterplans for the strategic sites.
- 8.3. It is proposed that local community groups, Parish Councils, Neighbourhood Planning Groups, developers and their agents should be directly consulted on the proposed changes to the SCI. The consultation document will be made available for six weeks on the Council's website and those organisations mentioned above will receive notification of the consultation. It is proposed that consultation will take place after the May election period.

9. LEGAL IMPLICATIONS

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

delegated to the Service Director – Regulatory. The SCI does not form part of the Council’s Policy Framework as set out in Paragraph 4.2 of the Constitution.

- 9.2. The Town and Country Planning (Local Planning) (England) Regulations 2012 as amended, require that a review of a Statement of Community Involvement must be completed every five years.

10. FINANCIAL IMPLICATIONS

- 10.1. The costs of running the consultation with key stakeholders for this draft Statement of Community Involvement will be covered by existing staff and within existing budgets.
- 10.2. Future consultations which will use the SCI will either be covered by existing budgets, or where they are site specific, they will be undertaken by the developer.

11. RISK IMPLICATIONS

- 11.1. There are no risk implications identified in this 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. An Equalities Impact Assessment has been undertaken and is attached as Appendix B. The SCI has identified a number of groups within the community which tend not to engage with local planning issues and consultations. These groups include working age people, people with disabilities, black and ethnic minority groups, young people and gypsy and traveller communities. Work will continue with the Policy and Community Engagement Team to encourage these groups to participate in planning consultations.

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. Consultation for the draft SCI will be undertaken by existing staff. Future consultations which are undertaken will also be undertaken within existing resources.

16. APPENDICES

- 16.1. Appendix A – Revised draft Statement of Community Involvement for public consultation – March 2023

16.2. Appendix B – Equalities Impact Assessment for the revised draft Statement of Community Involvement – March 2023

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18. BACKGROUND PAPERS

18.1 [Statement of Community Involvement, July 2020](#)



**North
Herts**
Council

**Statement of Community Involvement
Draft – March 2023**

Draft Statement of Community Involvement – March 2023

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1. Introduction

- 1.1 The Statement of Community Involvement (SCI) sets out how North Herts Council will involve the community in the planning process.
- 1.2 The SCI explains how and with whom the Council will consult when carrying out its planning duties. This document relates only to the Council's planning functions, but it is intended to compliment the Council's wider approach to community engagement.
- 1.3 All Local Planning Authorities are required to prepare an SCI to comply with national legislation, policies and guidance¹. The Council first adopted an SCI in 2006 and it has been updated periodically since then.
- 1.4 The SCI must be reviewed every five years. This review follows the adoption of the North Hertfordshire Local Plan 2011 – 2031 in November 2022. We have tried to reflect the changing priorities which we will need to address in the coming years. This includes explaining how you can be involved in the preparation of:
 - ❖ Supplementary planning document which will support the new Plan;
 - ❖ Neighbourhood plans;
 - ❖ Pre-application masterplans for the largest residential sites in North Hertfordshire;
 - ❖ Individual planning applications for development; and
 - ❖ The review of the Local Plan.
- 1.5 In addition, the SCI sets out the Council's expectations upon developers with regards to involving the community in their planning proposals which are not subject to the masterplanning process.
- 1.6 The Council has recently published a [Community Consultation Strategy](#) for 2022 – 2027. Whilst the SCI has been prepared with reference to the Consultation Strategy, it is specifically written for planning policy consultations and consultations associated with planning applications.
- 1.7 Temporary changes were introduced to the Regulations² in response to the COVID-19 pandemic concerning publicity and the physical inspection of planning documents. Given the uncertain nature of the pandemic and the potential for new variants to emerge, it is feasible that those temporary measures may be reintroduced in the future. If such circumstances arise again, any changes will be implemented locally and will replace the requirements set out in this updated SCI. This will avoid having to revise the SCI.
- 1.8 Where we are unable to meet some of the requirements set out in this document, but have made every reasonable effort to do so, we will consider that the conditions have been met.

¹ Town and Country Planning (Local Planning) (England) Regulations 2012(as amended); Town and Country Planning (Development Management procedure) (England) Order 2015; National Planning Policy Framework and National Planning Practice Guidance

² Town and Country Planning (Local Planning)(England)(Coronavirus) Amendment Regulations (2020)

2. Community Involvement in Strategic Planning

2.1. The Strategic Planning Team is directly responsible for preparing local planning policies and supplementary planning documents. We also work collaboratively alongside communities preparing their neighbourhood plans as well as landowners or promoters who are developing masterplans for strategic and significant sites.

2.2. We are committed to involving as many local people, groups and organisations from the North Herts community as possible in our planning consultations. We have an extensive consultation database in place which includes the following types of organisations:

- ❖ Statutory consultees³consultees; (listed in Appendix 1)
- ❖ Central government departments;
- ❖ Town, Parish and Community Councils;
- ❖ Neighbourhood Planning Steering Groups;
- ❖ Parish Meetings;
- ❖ Hertfordshire County Council;
- ❖ Hertfordshire District and Borough Councils;
- ❖ Neighbouring local authorities;
- ❖ Neighbouring Parish Councils; Letchworth Garden City Heritage Foundation;
- ❖ Local community groups and organisations;
- ❖ Black and minority ethnic groups;
- ❖ Religious / faith groups;
- ❖ Disabled persons organisations;
- ❖ Developers, landowners and agents;
- ❖ Businesses and business interest groups; and
- ❖ Individual members of the public.

This list is illustrative, not definitive.

2.3. When we consult on our planning documents, we will ensure that we meet the requirements of the Equality Act 2010, which aims to promote equality, eliminate discrimination and encourage good relations between different groups associated with age, disability, gender, race, religion and other protected characteristics. It is recognised that some parts of the community are not always adequately represented in planning consultations and in the planning process.

2.4. In North Hertfordshire, these groups are considered to be:

- ❖ People with disabilities;
- ❖ Black and ethnic minority groups;
- ❖ Working aged people;
- ❖ Young people; and
- ❖ Gypsy and traveller communities.

³ The Town and Country Planning (Local Planning) (England) Regulations 2012 defines “specific consultation bodies” and “general consultation bodies”

- 2.5. The council's Policy and Community Engagement Team has established some links with some of these "seldom heard groups" and continues to engage with these parts of the community. In preparing our planning documents we will work with the Policy and Community Engagement Team to further develop those links and try to encourage more involvement in the future.
- 2.6. Our consultation list for planning policy documents, masterplans for strategic sites and neighbourhood plans is always open to new consultees. If you would like to add your name to that list, the best way is by registering your contact details through our website: <https://north-herts.oc2.uk/register>. Registering your interest this way, allows you to decide which areas of local planning work you are interested in and amend your details when necessary.
- 2.7. You can also register your interest by contacting us, using these details:
- Strategic Planning Team
North Herts Council
PO Box 10613
Nottingham
NG6 6DW
Email : localplans@north-herts.gov.uk
Telephone : 01462 474000
- 2.8. To ensure that you receive all the information that you are interested in, we will need your name, organisation (where appropriate), either an email address or a postal address and an indication of the types of local planning issues you might be interested in. We will only contact you if you "opt-in" to receive details about particular types of local planning documents.
- 2.9. The [privacy notice](#) for the Regulatory Directorate sets out how your personal data will be used and by whom and is available on the Council's website. Where we are directly responsible for carrying out consultations, we will use our database to decide who we should contact. Where we are working with other organisations on planning matters – such as neighbourhood plans or masterplans – we may provide your details so they can contact you to find out your views; but we will only do this if you have told us this is ok.
- 2.10. We will review our local plan consultation list on a regular basis. We may contact you from time-to-time to ensure that your details are kept up to date and that you do not receive any information which you have not requested. Please do not ignore these emails and letters. If you do not respond we may have to delete your details from our database. This is because of changes in the law which say how we must protect your data and personal information.

3. Consultation Methods

- 3.1 Some of the methods we can use for community involvement are listed in the table below. The list is not definitive, but it includes those methods which we consider to be the most effective, practical and cost effective where we are directly responsible for producing planning documents. We will use a variety of these methods to engage and consult with the community as and where appropriate.
- 3.2 Where Parish Councils or developers are carrying out their own consultations on planning matters, we will encourage them to use an appropriate range of methods.

Table 1 : Methods of consultation for strategic and local planning consultations

Methods for notifying and consultation	Comments
Website	<p>It is a statutory requirement that some of our consultation documents are available to view on the council's website (www.north-herts.gov.uk). We will use both the planning pages of the website and the Council's consultation page for our consultation documents.</p> <p>The website will also include any background information and updates on all our consultation documents, including supplementary planning documents, masterplans and the local plan.</p> <p>We have an online consultation portal which you can use to make your comments during open consultation periods.</p>
Letters and email	<p>For some of our consultation documents, it is a statutory requirement that all statutory consultees are notified in writing (which maybe by email) when a document is published for consultation. In some circumstances a number of general consultees may also be notified in writing, where a document may be of particular interest.</p> <p>The council will encourage greater use of email in the future as this helps us to reduce our costs and paper usage.</p>
Social Media	<p>The council uses Facebook, Instagram, LinkedIn, Nextdoor and Twitter to inform the North Herts community about consultations for the local plan, supplementary planning documents, masterplans and neighbourhood plans.</p>

	<p>The use of social media will increase in importance as a method of raising awareness of the issues and documents being prepared for consultation as well as the publicising the methods of responding to a consultation. For example, the Council has a YouTube channel but there is only very limited content on it at present.</p> <p>At the moment, the Council is not using these social media outlets as a mechanism for collecting consultation responses, but we do use them to promote consultations and they include links to the relevant information. We will review our use of social media in the future, as it might be particularly helpful in the early stages of consultations.</p>
Council Offices and Libraries	<p>We will normally put paper copies of consultation documents which cover the whole District in the Council Offices and the local libraries during the consultation period. These will be available for inspection at the libraries during their normal opening times or by appointment at the Council Offices. As well as paper copies our reception provides access to a computer linked to the NHDC website for those who cannot access or easily use the internet at home.</p>
Local Media	<p>We prepare press releases at the start of consultations for planning documents to raise awareness. These can be supplemented during the consultation period where particular issues are raised or to further raise awareness.</p>
Town, Parish and Community Councils	<p>The council will consult the Town, Parish and Community Councils within the local authority area and in adjoining local authority areas where appropriate.</p> <p>The council will also encourage the Town and Parish Councils to use their own newsletters, magazines and notice boards to further publicise consultations for the local plan, supplementary planning documents (where relevant) and neighbourhood plans.</p>
Advertisements	<p>The council usually publicises all major consultations for the local plan in the local newspapers which are circulated in the District. This presently includes The Comet, The Royston Crow and the Luton Herald and Post. However, advertisements in local newspapers are not used for neighbourhood planning consultations as the newspapers are not necessarily available in these communities. The following types of planning applications are advertised in local newspapers; major planning applications; departures</p>

	from the development plan; listed building consents and conservation area consents.
Exhibitions	<p>In some circumstances the council may decide to hold exhibitions to help explain the content of a consultation document.</p> <p>However, exhibitions can be expensive to stage in terms of exhibition material, publicity, venue charges and staff time and we need to carefully balance the benefits of these events against the impact on relevant services.</p>
Focus Groups / Discussion Workshops	<p>Focus groups or discussion groups may be used by the council to explore selected issues with particular groups within the community. These groups can be expensive to run and require significant amounts of staff time, however participants can be recruited from the council's Citizens Panel database. They may provide an opportunity to explore issues in some depth and gain detailed and focussed comments.</p> <p>These types of events can also be held online and can be useful for small groups and can be more flexible for participants.</p>
Posters and Leaflets	<p>Posters and leaflets can be a useful and immediate way to draw attention to a local plan consultation.</p> <p>Posters can be particularly effective where there are community notice boards and large numbers of people passing them.</p> <p>There are however issues to be considered in producing leaflets as they can be relatively expensive if delivered to every household and business in the District.</p>
NHDC Outlook Magazine	<p>We have consistently used Outlook to inform residents and local businesses about local planning issues. However, the publication dates for the council's newsletter do not always coincide with consultation periods. We will continue to provide updates on local planning issues through Outlook when appropriate.</p>
Questionnaires and Surveys	<p>Questionnaires and surveys can be an effective way of gaining focussed views on a consultation document, particularly in the early stages of consultations.</p>

Use of existing partnerships, forums and panels	There are a number of organisations across the District which can provide representative views from a range of organisations and agencies as well as specific community groups. We will consult with these organisations where appropriate and continue to explore further opportunities.
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Making comments

3.3 Comments in response to a planning consultation document can be made by:

- ❖ Using the council’s online consultation software:
- ❖ Email; or
- ❖ In writing.

Full details of how to make comments are included in all our consultation documents, on our website and in the advertisements that the council places in local newspapers.

3.4 Comments are sometimes submitted to councillors and other elected representatives by email, letter or by other methods. These comments will not be considered as formal representations, unless they are copied to the Strategic Planning team within the consultation period.

3.5 We do not accept responses to consultation documents by telephone.

What will we do with your comments?

3.6 The council will ensure that when consultation is undertaken, all appropriate comments will be used to inform the content of the planning documents. Inevitably there will be some conflict between the comments and representations and it will not be possible for the council to amend the planning documents to suit everyone, but the council will consider all the comments carefully in preparing the local planning documents. The Council will not respond to all comments and representations individually.

3.7 At the end of a consultation period, the council will analyse all of the comments received and will prepare a summary of the comments. This summary will be presented to Cabinet or Full Council as a background paper to any recommendation for changes to the planning document. When the council submits a planning document to the Secretary of State it must be accompanied by a statement of consultation which sets out a summary of the representations received and the main issues raised. All of the comments and reports will be made available to view on the council’s website and at the council’s offices on request.

3.8 Any individual or organisation making comments on any local planning document, a supplementary planning document or a neighbourhood plan will be added as a consultee for that particular consultation document on our database.

3.9 Increasingly, comments and objections are posted onto social media web pages and on-line petitions. There are a wide variety of social media pages and groups which the council is not necessarily aware of, e.g. private Facebook groups and it does not have

the resources to monitor the activity on these sites. Comments and objections made in this way therefore will not be taken into account when formally considering all the representations made in response to a consultation document, unless they have been formally submitted to the council, in which case they will be recorded and considered in accordance with paragraph 6.3. Comments made on the council's own Twitter feed and Facebook page will be monitored but will not be taken as formal representations to a local planning consultation.

- 3.10 Please note that the council, in its absolute discretion, reserves the right not to consider or include comments which are inappropriate including:
- ❖ comments of a discriminatory nature (age, gender, disability, ethnicity, religious belief and sexual orientation) including racist and homophobic comments;
 - ❖ inflammatory or offensive comments (of a foul or abusive nature); or
 - ❖ any other comments of a similar nature that it deems inappropriate.
- 3.11 If a written response to a consultation is received which contains inappropriate content as listed above, this will be discarded from the consultation and, where there is a postal address, will be returned. In these circumstances the respondent will be given an opportunity to make their comments using more appropriate language so that they can be considered as part of the consultation process.
- 3.12 In some instances, the council receives hard copy petitions in response to consultation documents. For the purposes of recording representations made in this way, the subject of the petition will be noted as a representation and the person responsible for submitting the petition will be recorded and will be kept informed of the progress on the relevant consultation document. The signatories to the petition will not be recorded or added to our consultation database but the number of signatories will be recorded. The Council will treat on-line petitions in the same way.

4. Social Media

- 4.1 The Council does use Facebook, Instagram, LinkedIn, Nextdoor and Twitter to inform residents, local groups and organisations about Council activities. The Council will continue to make use of social media platforms to promote future consultations for the strategic site masterplans, supplementary planning documents, neighbourhood plans and the review of the local plan. The use of social media will increase in importance as a method of raising awareness of the issues and documents being prepared for consultation as well as the publicising the methods of responding to a consultation.
- 4.2 At the moment, the Council is not using these social media outlets as a mechanism for collecting formal consultation responses; however, any comments made will be reviewed and may be used to review consultation methods in the future.
- 4.3 As the use of mobile technology changes and increases, the Council will need to respond to these changes and will consider how to make future planning consultation documents and accompanying documentation, including digital mapping, as easy as possible to use. Most of our planning documents and maps are presently made available as PDF files. However, these can be large and lengthy and are not always easy to navigate, particularly if readers are interested in a single topic or a specific geographical area. They are a simple electronic copy of the physical document(s) we are consulting on. This approach doesn't necessarily fit well with modern preferences such as:
- ❖ receiving bite-size information;
 - ❖ 'swipe and tap' mobile technology such as tablets and smartphones; and
 - ❖ interactive and shareable content.
- 4.4 We need to strike an appropriate balance between responding to changing trends and technologies, producing the documents we are legally required to and the resources available to the Council.

5. Community Involvement in pre-application Masterplanning

- 5.1 Our new Local Plan allocates a number of strategic and significant sites for development in North Hertfordshire over the coming years. We normally define 'strategic' sites as those which will deliver 500 or more homes and 'significant' sites as those which will deliver 100 or more homes.
- 5.2 We recognise that large-scale developments will have a significant impact on the communities they are located in so it is important that the Council, communities and stakeholders are all involved in the masterplan process so they can meaningfully shape the planning and design outcomes.
- 5.3 We have a requirement ([Policy SP9 in the Local Plan](#)) that a masterplan will be prepared for these sites by the landowners / developers in collaboration with the Council and which will be subject to consultation and engagement with key stakeholders.
- 5.4 We strongly encourage landowners / developers to produce and agree masterplans *before* they apply for planning permission. Where this is the case, good quality public consultation will be a critical element of the project.
- 5.5 We have established a Project Management and Governance framework to effectively and pro-actively shape the masterplans for the strategic sites. We have produced a range of supporting guidance to help guide developers, landowners and communities through the process. Full details are set out in the dedicated [masterplanning](#) area of our website.
- 5.6 A consultation strategy will be developed as part of the pre-application Strategic Masterplan work. In terms of stakeholder and community engagement, the Council anticipates that key stakeholders will normally be engaged through at least one focused workshop event (or equivalent) as proposals are developed. The nature and timing of that engagement will be agreed on a project by-project basis to respond to the individual project needs. The Council will assist landowners to undertake a stakeholder mapping exercise to ensure that all relevant groups are consulted. These groups might include:
- ❖ District Councillors;
 - ❖ Hertfordshire County Councillors;
 - ❖ Adjoining local authorities (where appropriate);
 - ❖ Local and adjoining Parish Councils;
 - ❖ Neighbourhood planning groups (where appropriate);
 - ❖ Natural England;
 - ❖ Environment Agency
 - ❖ Historic England
 - ❖ Herts and Middlesex Wildlife Trust; and
 - ❖ Local residents and community groups.

- 5.7 At draft masterplan stage, a wider public consultation event should take place. This will normally be arranged and run by the landowner / developer and supported by the Council.
- 5.8 In terms of the ways in which the community consultations will take place, these will be based on the methods of consultation set out in Table 1 above. We will work with the landowners and developers to ensure that the most appropriate methods of community consultation are used for each masterplan. The public engagement event could take the form of an exhibition or drop-in or workshops supported by a dedicated website. We will make staff available to attend such events. The landowner will be responsible for the production of materials, staffing costs and venue hire.
- 5.9 We may share the contact details of individuals or groups where they have told us they have a particular interest in the area or site in question to make sure your views can be heard.
- 5.10 A feedback report from the consultation will be required to feed into the final Strategic Masterplan. This will clearly set out how consultation helped to positively shape and influence the proposals.
- 5.11 This is our preferred approach to producing masterplans for strategic and significant development. However, we cannot insist that this process is followed. We cannot require that a planning application is submitted at any particular time. A planning application for strategic or significant development without a pre-agreed masterplan might be submitted without having engaged with the pre-application process.
- 5.12 Policy SP9 therefore also allows for its requirements to be met by agreeing a Strategic Masterplan following the submission of a planning application and securing this either prior to or as part of the grant of planning permission.
- 5.13 Where this is the case, community involvement and engagement on any masterplan will take place as part of the Development Management process. More information on this is set out in the following section.

6. Supplementary Planning Documents and Planning Briefs

- 6.1 Supplementary Planning Documents (SPDs) provide more detailed advice or guidance in respect of adopted local plan policies, however they cannot introduce new planning policies. SPDs are capable of being a material consideration in respect of a planning decision but they do not form part of the development plan.
- 6.2 The Council has agreed that we will prepare SPDs on Sustainability, Biodiversity and Design. We will consult on the content of these documents, but they are not subject to examination by a Planning Inspector before they are adopted by the Council.
- 6.3 The following table sets out a summary of the consultation stages and methods of consultation which the Council may use in preparing an SPD or Planning Brief. For some consultations we may organise workshops or drop-in sessions where it is appropriate.

Table 2 : Supplementary Planning Documents – Stages of preparation and consultation methods

SPD Stage of Preparation	Consultation duration	Consultation methods
Research / Initial scoping	No minimum	❖ Written consultation, focussed surveys or meetings with key stakeholders where required
Draft SPD consultation	4 weeks (minimum)	❖ Written / email consultations with statutory consultees, relevant general consultees on our database, other relevant stakeholders, individuals and organisations who have expressed a wish to be consulted or have previously made comments on the document being considered; ❖ Consultation documents available for public inspection on the Council's website; ❖ Digital consultation using the Council's on-line consultation portal; ❖ Promotion of the SPD and advice on how to engage with its development through the Council's social media platforms; and ❖ Hard copies of the consultation document available at the Council Offices and at other places considered appropriate.
Final Draft SPD Consultation		

Adoption		<p>The adopted SPD, a statement of the representations received and the response to those representations and an adoption statement will be available to view on the Council's website.</p> <p>All those who made comments will be informed.</p>
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7. Neighbourhood Planning

- 7.1 Neighbourhood plans are Community-led documents, prepared by Parish Councils or a Neighbourhood Planning Forum. The District Council is committed to supporting local communities preparing neighbourhood plans and they form an important part of how the local community can be engaged in the planning system.
- 7.2 The [Neighbourhood Planning \(General\) Regulations 2012](#) (as amended) set out the statutory requirements for the preparation of neighbourhood plans. Consultation during the early stages of neighbourhood plan preparation is undertaken by the Parish Council or the neighbourhood forum and is not covered by the requirements of this Statement of Community Involvement. However, the SCI might still contain guidance which is useful to groups preparing neighbourhood plans.
- 7.3 When a neighbourhood plan is “made” it becomes part of the statutory development plan for the District, this means that there are a number of legal requirements that the neighbourhood plan must meet. These are known as the “Basic Conditions”. A neighbourhood plan must;
- ❖ have regard to national planning policy;
 - ❖ be in general conformity with the strategic policies in the saved Local Plan;
 - ❖ contribute to the achievement of sustainable development;
 - ❖ be compatible with environmental obligations; and
 - ❖ be compatible with human rights requirements.
- 7.4 The table below sets out the key steps for neighbourhood planning and also outlines the level of support that can be expected from the us, the District Council. Further information can be found on the Council’s [website](#).

Table 3 : Neighbourhood Plans – Stages of Preparation

Stage of Preparation	Commentary
Designation of a neighbourhood planning area	<p>In those areas of the District where there is a Parish or Town Council, the Parish or Town Council must apply for a neighbourhood planning area to be designated.</p> <p>If an application is received to designate the whole parish area, we are required to designate the whole area⁴.</p> <p>At this stage, we expect the Parish or Town Council to provide a formal request to designate the neighbourhood planning area and a map which shows the extent of the neighbourhood planning area.</p> <p>In those areas of the District where there is no Parish Council, a neighbourhood planning forum must be established in order to produce a neighbourhood plan.</p>

⁴ [The Neighbourhood Planning \(General\) and Development Management Procedure \(Amendment\) Regulations 2016](#)

	<p>Where we need to consult on designating a neighbourhood planning area, we will consult statutory consultees and those people and organisations on our database who have expressed an interest in that neighbourhood planning area. We will advertise the application through its website and social media and will ask the relevant qualifying body to assist in publicising the consultation through its own local mechanisms, for example through a community newsletter or local website</p>
<p>Preparation of the first draft neighbourhood plan</p>	<p>During this stage of plan preparation, we have a duty to support the preparation of neighbourhood plans. This could include advice on:</p> <ul style="list-style-type: none"> ❖ possible themes and topics for your neighbourhood plan; ❖ useful evidence for your neighbourhood planning policies; ❖ the legal requirements that have to be met; ❖ ways to consult the local community; ❖ providing maps where appropriate; and ❖ providing advice on policy writing. <p>This list is not exhaustive; however assistance will be limited to the resources we have available at any given time. If you have a detailed project plan in place, it will be easier to identify when you might need assistance from the Council.</p> <p>At this stage in the neighbourhood planning process, the Strategic Planning Team will offer 30 hours of support for each neighbourhood planning group. Our GIS team can also provide some limited help with digital mapping. Beyond this allowance, further assistance can be provided but will be charged at a rate of £30 per hour to help cover the Council's costs.</p> <p>Whilst we have a duty to support neighbourhood planning, this does not extend to financial assistance. There are other sources of funding which might be available to neighbourhood planning groups. Further information is available through Locality: https://locality.org.uk/</p>
<p>Pre-submission consultation on the neighbourhood plan</p>	<p>Once a draft neighbourhood plan has been prepared it will need to be consulted on for six weeks. This consultation is carried out by the Parish Council or the Neighbourhood Forum.</p>

	<p>Whilst consultation at this stage should be focussed in the local community, we can help Parish Councils and qualifying bodies with the contact details for statutory consultees or other relevant organisations who might have an interest in the neighbourhood plan. Parish Councils and qualifying bodies are encouraged to consult with the wider community which might include community groups, landowners, businesses and developers. Some of the consultation techniques listed in Table 1 might be helpful to use in this early consultation for a neighbourhood plan.</p> <p>The consultation responses can be used to make any changes to the neighbourhood plan as a result of comments from the public in advance of submitting the plan.</p>
<p>Submission of the neighbourhood plan to North Herts Council</p>	<p>Once the neighbourhood plan has been prepared and the first stages of consultation have been completed, the plan will be submitted to NHC to publicise and consult on for six weeks.</p> <p>We will ensure that all of the documents submitted are correct and will arrange for consultation to take place. In most cases, delegated authority will be sought to start the consultation but there are exceptions to this where the neighbourhood planning area includes two or more electoral wards. In these circumstances, the consultation will be referred to Cabinet as a key decision. It maybe that the consultation will be undertaken with other local planning consultations to ensure the efficient use of resources.</p> <p>We will publicise the consultation through our website, news releases and through social media. Emails and letters will be sent to statutory consultees, any organisation referred to in the consultation statement, organisations in the local area and anyone who has “opted-in” to be notified of consultations for that particular neighbourhood planning area.</p> <p>We will work in collaboration with the qualifying body or neighbourhood planning forum to encourage the use of local media sources (e.g. newsletters, social media pages) to publicise the consultation.</p>

<p>Independent examination of a neighbourhood plan</p>	<p>We will source an independent examiner at the end of the consultation period, once all of the representations have been confirmed to request the details of a suitable and available examiner to undertake the examination of the plan. A decision to appoint an examiner will be made in collaboration with the Parish Council.</p> <p>We will ensure that the independent examiner receives all of the relevant documentation for the examination.</p> <p>It is normal for neighbourhood plan examinations to be conducted by written representations, however, if the examiner decides that an exploratory meeting or a hearing session is necessary, we will make the appropriate arrangements in consultation with the Qualifying Body and the examiner.</p>
<p>Receipt of Examiner's report</p>	<p>The examiner will prepare a report which will recommend that the neighbourhood plan proceeds to a referendum with or without further modifications and that the referendum area is to be extended beyond the designated neighbourhood planning area.</p>
<p>Referendum</p>	<p>We will make the necessary arrangements for a neighbourhood plan referendum where the neighbourhood plan meets the basic conditions.</p>
<p>Making the neighbourhood plan</p>	<p>Once there has been a successful referendum, the neighbourhood plan will become part of the statutory development plan for the District and will be used in determining planning applications.</p>

8. The Local Plan Review

- 8.1 The Local Plan was adopted on 8 November 2022 and we have a statutory duty to keep the local plan under review. At a minimum, plans must be reviewed every five years. There is a commitment in our Local Plan to conduct a review of the whole plan by the end of 2023, which will determine whether the Plan needs to be updated either in whole or part.
- 8.2 The timetable for preparing the Local Plan is set out in the Local Development Scheme (LDS). The LDS is kept under review and is available to view on our [website](#). A new LDS will be produced once the Council has made a decision on whether and how the Local Plan needs to be updated.
- 8.3 Under the current planning system, there are a number of stages involved in the preparation of a local plan and there are opportunities for you to be involved in that preparation, particularly in the early stages. The key stages of local plan preparation are set out in the table below, along with the approaches we might use if this system remains in place.
- 8.4 However, the Government is currently considering how and whether to change the planning system in the future. New laws are currently being considered by Parliament. Updated versions of national policy are expected. The detailed regulations, which set out what we must do at different stages, may change. There may be specific expectations around the use of digital or on-line methods.
- 8.5 We will continue to monitor these changes. We will decide if we need to update this Statement of Community Involvement again to reflect the latest rules and guidance when we begin work on the next version of the Local Plan.

Table 4 : Key stages of Local Plan preparation

Stage	Description
Research and Issues Phase	<p>During this early stage, we will gather information and evidence about the area so that we can assess and identify the issues facing the District.</p> <p>Consultation during these early stages may include detailed stakeholder consultations or wider more extensive consultations.</p> <p>The Council will also assess the requirements of government guidance, other corporate strategies and technical information in order to put a draft document together.</p>
Draft Plan or proposals (Regulation 18)	We may publish a draft plan or document to get some feedback from both the community and stakeholders. Any draft document would be made available for public

	<p>consultation for a minimum period of six weeks, allowing written representations to be made.</p> <p>In addition to inviting written comments, we may also use workshops, exhibitions or online drop-in sessions to engage with different groups of the community.</p> <p>We will use any comments and feedback in the preparation and revision of the local plan before moving onto the next stages. The comments will be made available on the website.</p> <p>At this stage the draft local plan will be subject to a Strategic Environmental Appraisal (SEA) and Sustainability Appraisal (SA) and further technical work maybe commissioned.</p>
<p>Publication (Regulation 19)</p>	<p>The proposed local plan will be published for a formal consultation period. We will ask you for written comments on the content of the documents subject to consultation.</p> <p>We will advertise the consultation period as widely as possible through our website and where appropriate in local newspapers. We will send emails or letters to statutory consultees, local organisations and others listed on our consultation database. The consultation documents will be available on our website, at the Council Offices and in local libraries.</p> <p>Comments and representations received at this stage in the preparation of the Local Plan will be made available on the website and will be sent to the Planning Inspectorate. Summaries of the representations may be prepared to assist the Inspectors.</p>
<p>Submission (Regulation 22)</p>	<p>Once the consultation has been completed, the document will be submitted to the Secretary of State (represented by the Planning Inspectorate) for independent examination. All of the supporting background evidence, the SEA/SA and a statement of public involvement in the process will also be submitted as part of the examination and will be made available on the council's website.</p>
<p>Examination (Regulation 24)</p>	<p>An examination will be held by an Inspector, appointed by the Planning Inspectorate. The Inspector will examine the documents submitted and will identify the matters and issues for discussion at a public hearing. A timetable and guidance notes for participants will be prepared. Hearing sessions will be arranged with six weeks' notice and if the Inspector considers it necessary, they will ask participants</p>

	<p>and the Council for additional information on specific issues.</p> <p>The Council will appoint a Programme Officer who will be the single point of contact with the Planning Inspector and their details will be published on the council's website.</p> <p>Only those people who submitted representations at the publication stage (Regulation 19) are entitled to be heard at the examination, although third parties can be invited by the Inspector at their discretion.</p> <p>The Inspector will assess the "soundness" of the plan and will prepare a report for the Council. That report will set out the Inspector's recommendations to the Council. The Council must then consider the report and the recommendations.</p>
<p>Adoption (Regulation 26)</p>	<p>The Council will adopt the local plan as soon as practicable following consideration of the Inspector's report. The local plan will then become part of the statutory development plan for the District.</p> <p>The documents will be published on the Council's website and all of those people who made representations will be informed.</p> <p>Paper copies will be available to view at the Council Offices.</p>

9. Community Involvement in the Development Management

- 9.1 Many people only interact with the planning system when they wish to make a planning application of their own or make comments on an application which affects them directly.
- 9.2 Development management is the process by which the council determines whether a proposal for development should be granted planning permission. Planning applications must be determined in accordance with the Development Plan (the Local Plan, an adopted neighbourhood plan where appropriate, the Minerals Local Plan and the Waste Local Plan) unless material considerations (such as the National Planning Policy Framework (NPPF) suggest otherwise.
- 9.3 Planning applications can be determined in one of two ways:
- ❖ determination by Councillors on the Planning Control Committee; or
 - ❖ determination by development management officers under the delegated decision making procedure.

Further information is given on our website: <https://www.north-herts.gov.uk/home/planning/planning-advice-and-guidance/planning-applications-decision-making-process>.

Pre-application Consultation

- 9.4 We provide an informal general enquiry system for initial queries about planning applications. There is a planning duty officer phone service between 9am and 12 noon each weekday.
- 9.5 Anyone considering making an application for planning permission can also approach the council for informal views prior to submitting a formal application, using our pre-application advice service. Any advice given at this stage is not binding, but it can help to save the applicant's time and money in pursuing schemes which may need radical alteration to be acceptable. There are no statutory requirements for pre-application discussions. The council does make a charge for pre-application advice for certain types of development proposal including:
- ❖ Significant or major proposals – Large scale, complex developments, including masterplans;
 - ❖ Category “A” Proposals – Large scale, complex development – including schemes of between 100 – 499 dwellings;
 - ❖ Category “B” – including schemes of between 25 and 99 residential units, 2000sq m or more of commercial floorspace, mixed use development on a site of more than 1 hectare (ha) or development requiring an Environmental Impact Assessment (EIA);
 - ❖ Category “C” Proposals – Other major development – including schemes of between 10 and 24 residential units, provision of 1000sq m – 1999sq m of commercial floorspace, mixed use development on a site between 0.5 and 1ha or change of use proposals for buildings on land exceeding 500sq m;
 - ❖ Category “D” Proposals – including proposals of up to 9 dwellings, advertisements, provision of up to 999sq m of non residential floorspace or change of use of buildings on land exceeding 499sq m; and

❖ Category “E” Proposals – Householder and listed buildings.

9.6 Full details of our current charges can be found on our website: [Do I need planning permission? | North Herts Council \(north-herts.gov.uk\)](http://www.north-herts.gov.uk)

9.7 The council cannot insist on pre-application discussions with applicants but they are recommended. Where major schemes are proposed, the council will encourage developers to engage with the local interest groups and residents. However, it is important that councillors observe the council’s Planning Code of Good Practice.

9.8 Not all planning proposals are discussed with the council before an application is made. However, an applicant may consult at the pre-application stage, where this is appropriate, whether they are significant or more minor applications. The tables below set out how an applicant may choose to consult on their proposals.

Table 5 : Public consultation at the pre-application stage for planning applications (This includes all applications made under the Town and Country Planning Act and associated legislation.)

Pre-Application Stage : Major Applications (see Appendix 2)		
Consultation Methods	Suggested Course of Action	By Whom
Letters to inform local residents / interest groups of the planning application site	Send letters / emails to local residents / interest groups / relevant statutory consultees	Planning applicant / agent
Public exhibition or public meeting	Publicise & prepare proposals for public consultation.	Planning applicant / agent
Pre – Application Stage – Other Applications		
Inform neighbours in the immediate vicinity	Verbal consultation	Planning applicant / agent

9.9 Local residents often express concern regarding construction management and in particular construction vehicle access routes to development sites. Developers are strongly advised to consider construction management issues at the earliest possible stage of the planning process. It is best practice to consider sensitive and well thought out construction management plans at the pre-application stage (as part of engagement with Hertfordshire County Council Highways and the District Council) and to seek the views of the local community before planning applications are submitted. The feedback from any public consultation on construction management (including

construction vehicle access routes) should then be incorporated into the formal submission of a planning application.

- 9.10 For strategic site development proposals or schemes of significant scale and local interest, developers may also consider carrying presentations to the relevant Area Committee. The Council's Constitution (January 2020) presently states that Area Committees can receive presentations from developers for schemes for 100 dwellings or more. This threshold may change over the lifetime of this SCI. Whilst Member input into these discussions must be limited in order to avoid pre-determination by Members of the Planning Control Committee and substitutes, Area Committees would welcome early engagement for large scale development proposals through this forum.
- 9.11 Involving Planning Control Committee members in the development of strategic schemes through the planning process (recognising their potential dual role as both planning committee member and, where relevant, local ward representative) is best practice and has been promoted by the public and private sector over the past decade.
- 9.12 Officers are currently reviewing approaches to Planning Control Committee's consideration of large-scale applications. This recognises that the adoption of the Local Plan will result in a significant increase in both the scale of sites and schemes that will need to be considered and planning activity generally when compared to the Committee's role over the last 10-20 years.

Public consultation for planning applications

- 9.13 When a planning application is submitted, the council will publicise it in accordance with the legislative requirements. Where required by the legislation, this will include the following:
- ❖ Notices published in local newspapers;
 - ❖ Application details published on the website for inspection;
 - ❖ Site notices;
 - ❖ Letters sent to adjoining properties;
 - ❖ Details of all planning, listed building and conservation area consent applications are sent to councillors and the Parish or Town Councils weekly.
- 9.14 The council aims to determine all planning applications within a statutory time period, therefore all consultations that take place once a planning application has been submitted must also take place within these time limits. However, bodies such as Natural England will be allowed a longer period of time to comment on applications where this is prescribed by legislation.

9.15 The tables below set out how the council will consult at the application stage for planning proposals in the District, whether they are significant or more minor applications.

Table 6 : Consultation for Planning Applications

Planning Application Stage		
Consultation Methods	Requirements	By Whom
Copies of planning applications available at the libraries and the Council Offices (by appointment only) via the NHDC website	Prepare information	NHC Officers
Site notice	Prepare site notices. Site notices are emailed to the applicant or agent for displaying on site. Planning officers are responsible for displaying site notices where the applicant or agent is out of the district and the property is empty.	NHC Officers Applicants and / or agent
Neighbour notification letters	Prepare & send out letters	NHC Officers
Invite representations from statutory & non statutory consultees	Prepare & send out letters	NHC Officers
Public notice in local paper	Prepare advertisement	NHC Officers
Further consultations by way of exhibitions / public meetings for major applications	This would depend on the types of consultation that have taken place beforehand	Planning Applicant / Agent NHC Officers

9.16 In some cases, there may be significant amendments to the submitted plans, in which case the council will advise those people who have previously made comments on an application. If there is a change to an application which is material or affects the description of the development, then we will re-consult. Where representations and comments are received, they will be taken into account in the determination of

applications insofar as they are material to the application. Some things are not material planning considerations, such as the impact of a scheme on property values, and therefore cannot be taken into account.

- 9.17 Local planning authorities are required to make a statement on each planning decision notice as to how they have acted pro-actively in their dealings with applicants. Even if a proposal is fundamentally unacceptable the council will handle the application in a pro-active way. This requirement in no way suggests that the application will not be assessed objectively weighing up any concerns expressed by consultees against the planning merits of the case.
- 9.18 Decisions on planning applications will either be made by the relevant Committee or under powers delegated to the Development and Conservation Manager, Principal Planning Officer (Major Projects) and Principal Planning Officer (Development Management). Any councillor can request that an application is decided by Committee instead of being determined under delegated powers, where they have a contrary view to the officer as to the probable decision or consider it raises issues of wider public interest.
- 9.19 In the case of those applications which will be reported to the Committees for decision, there is the opportunity for individuals to address the Committee to express their support or objection to the proposals. Anyone who has submitted representations will be informed if an application will be brought before committee for decision.

Post decision information

- 9.20 Once a decision has been made, the details of the decision are published online. Planning files will remain open for inspection once decisions have been made (the Part 2 register). A register of associated legal agreements (Section 106 and Section 278 agreements) will also be available for inspection.
- 9.21 The table below sets out how the council will inform the community of the decisions made on all planning applications.

Table 7 : Public Involvement – Post Decisions

Post Application Stage		
Consultation Methods	Requirements	By Whom
Update web site	Ensure that latest information is on the website	NHC Officers
Press release for major applications	Prepare information	NHC Officers

10. NHC Resource Availability

- 10.1 The SCI is based on a realistic assessment of the likely resources available to the council in the foreseeable future. The council does not have either the staff or the financial resources to undertake large scale community and stakeholder events without impacting upon our ability to deliver important day-to-day services. The SCI sets out how the council will undertake a programme of consultation which is achievable and realistic but which will not raise expectations. In order to make the best uses of resources, the council will endeavour to combine local plan consultations with other consultations for council initiatives where this is appropriate and timely.
- 10.2 The council will be responsible for making the appropriate resources available to implement the consultation methods set out in this SCI. It is envisaged that the proposed consultation measures can be met in house.
- 10.3 The Service Director – Regulatory will be responsible for managing the overall consultation process and its implementation will be the responsibility of the Strategic Planning or the Strategic Infrastructure and Projects Teams.
- 10.4 Public consultation in relation to planning applications will be the responsibility of the council's Planning Control and Conservation Manager.

11. Reviewing the SCI

- 11.1 As required by the Town and Country Planning (Local Planning) (England) (Amendment) Regulations 2017, the SCI will be reviewed no later than five years after adoption.
- 11.2 However, as explained in paragraphs 7.4 and 7.5, there may be changes in national legislation, regulations or policies on the preparation of the masterplans, SPDs, neighbourhood plans and the local plan review. These will be monitored and if there are any significant changes, the SCI might be subject to a more immediate review.
- 11.3 The SCI will also need to be compliant with any legal requirements for the processing of data or changes to anti-discrimination laws and changes in NHDC policy.
- 11.4 The database of people and organisations will be kept up to date to comply with the General Data Protection Regulations 2016.

12. Appendices

Appendix 1 : Specific and General Consultation Bodies

In the Town and Country Planning (Local Planning)(England) Regulations 2012 “general consultation bodies” means the following

- a) voluntary bodies some or all of whose activities benefit any part of the local planning authority’s area,
- b) bodies which represent the interests of different racial, ethnic or national groups in the local planning authority’s area,
- c) bodies which represent the interests of different religious groups in the local planning authority’s area,
- d) bodies which represent the interests of disabled persons in the local planning authority’s area,
- e) bodies which represent the interests of persons carrying on business in the local planning authority’s area;

“specific consultation bodies” means the following:

- (a) the Coal Authority,
- (b) the Environment Agency,
- (c) the Historic Buildings and Monuments Commission for England (known as English Heritage),
- (d) the Marine Management Organisation,
- (e) Natural England,
- (f) Network Rail Infrastructure Limited (company number 2904587),
- (g) the Highways Agency,
- (h) a relevant authority any part of whose area is in or adjoins the local planning authority’s area,
- (i) any person—
 - (i) to whom the electronic communications code applies by virtue of a direction given under section 106(3)(a) of the Communications Act 2003, and
 - (ii) who owns or controls electronic communications apparatus situated in any part of the local planning authority’s area,
- (j) if it exercises functions in any part of the local planning authority’s area—
 - (i) a Primary Care Trust established under section 18 of the National Health Service Act 2006 or continued in existence by virtue of that section;

- (ii) a person to whom a licence has been granted under section 6(1)(b) or (c) of the Electricity Act 1989;
- (iii) a person to whom a licence has been granted under section 7(2) of the Gas Act 1986;
- (iv) a sewerage undertaker; and
- (v) a water undertaker;
- (k) the Homes and Communities Agency; and
- (l) where the local planning authority are a London borough council, the Mayor of London;

Extract from the Town and Country Planning (Local Planning)(England) Regulations 2012

Appendix 2 : Definition of Major Development

The Town and Country Planning (General Development Procedure) Order 1995 (as amended)

“Major development” means development involving any one or more of the following:

- (a) the winning and working of minerals or the use of land for mineral-working deposits;
- (b) waste development;
- (c) the provision of dwellinghouses where -
 - (i) the number of dwellinghouses to be provided is 10 or more; or
 - (ii) the development is to be carried out on a site having an area of 0.5 hectare or more and it is not known whether the development falls within paragraph (c)(i);
- (d) the provision of a building or buildings where the floor space to be created by the development is 1,000 square metres or more; or
- (e) development carried out on a site having an area of 1 hectare or more.

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Equality Analysis Template – Statement of Community Involvement for the Planning Service

1. Name of activity:	Planning consultations
2. Main purpose of activity:	The Statement of Community Involvement for Planning (SCI) sets out how consultations will be conducted during the preparation of masterplans for the allocated strategic sites, supplementary planning documents, the review of the local plan or in determining planning applications. It also sets out how the Council will conduct public consultation for those stages in neighbourhood planning for which it is responsible.
3. List the information, data or evidence used in this assessment:	The preparation of the SCI is required in the Planning and Compulsory Purchase Act 2004 and there is a requirement to review the SCI every 5 years starting from the date of adoption. The latest version of the SCI was adopted on 21 July 2020. The 2023 consultation version of the SCI has been prepared following the adoption of the Local Plan in November 2022. There will be a change in focus in the SCI away from Local Plan preparation to masterplanning for the allocated strategic sites and preparing additional guidance in the form of supplementary planning documents.

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)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Negative
				Positive
A person living with a disability	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Negative
				Positive
A person of a particular race	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Negative
				Positive

				Positive
A person of a gay, lesbian or bisexual sexual orientation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Negative
				Positive
A person of a particular sex, male or female, including issues around pregnancy and maternity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Negative
				Positive
A person of a particular religion or belief	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Negative
				Positive
A person of a particular age	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Negative
				Positive
Transgender	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Negative
				Positive

5 Results

	Yes	No	
Were positive impacts identified?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Consideration is being paid to reaching and engaging with a wide and diverse section of the North Herts community. This will be done by working with the Policy and Community Engagement team who have established links with diverse communities.
Are some people benefiting more than others? If so explain who and why.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Were negative impacts identified (what actions were taken)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

6. Consultation, decisions and actions

If High or very high range results were identified who was consulted and what recommendations were given?

Once public consultation for supplementary planning or local plan documents, neighbourhood plans and planning applications has been completed, officers consider all the responses and make recommendations as to how a consultation document should be amended or a decision is made in the case of a planning application.

In terms of consultations on the strategic site masterplans, officers will expect the developer, landowner or their representatives to consider all of the responses and make recommendations as how those masterplans may be amended before a planning application is submitted to the local planning authority.

Describe the decision on this activity

A report is prepared for Members to consider and either approve or reject an officer recommendation, through Cabinet or the Planning Control Committee.

List all actions identified to address/mitigate negative impact or promote positively

Action	Responsible person	Completion due date
The SCI sets out how consultations will take place & it has identified a number of groups which have been "seldom heard" in previous consultations. The use of different consultation techniques will be considered to try and broaden the groups who participate in the consultations. The use of monitoring forms will be considered to assess the effectiveness of future consultations reaching all areas of the community.	Nigel Smith	31 Dec 2023

When, how and by whom will these actions be monitored?

The Strategic Planning and the Strategic Infrastructure and Projects teams will review future public consultations after each consultation period and consider whether all groups within the community have been represented.

7. Signatures

Assessor

Name: Signature**

Validated by

Name: Signature**

Forward to the Corporate Policy Team

Signature**

Assessment date: Review date:

**** 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
14 March 2023

***PART 1 – PUBLIC DOCUMENT**

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

REPORT OF: SERVICE DIRECTOR - RESOURCES

EXECUTIVE MEMBER: FINANCE AND I.T.

COUNCIL PRIORITY: SUSTAINABILITY

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 December 2022.
- 1.2 To update Cabinet on the impact upon the approved capital programme for 2022/23 – 2032/33. The current estimate is a decrease in spend in 2022/23 of £1.490M and an increase in spend in 2023/24 of £1.554M. The most significant individual changes decreasing the spend in 2022/23 relate to £0.278M Cycle Strategy Implementation, £0.250M Transport Plans Implementation, £0.235M Parking Charging Payments Management and £0.201M Off-street Parking Resurfacing which have been reprofiled into 2023/24.
- 1.3 To inform Cabinet of the Treasury Management activities in the first nine months of 2022/23. The current forecast is that the amount of investment interest expected to be generated during the year is £1.277M. This is an increase of £0.151M on the estimate reported in the 2nd quarter report.

2 RECOMMENDATIONS

- 2.1 That Cabinet notes the forecast expenditure of £8.370M 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 £1.554M.
- 2.3 That Cabinet notes the position of the availability of capital resources, as detailed in table 4 paragraph 8.6 and the requirement to keep the capital programme under review for affordability.
- 2.4 Cabinet is asked to note the position of Treasury Management activity as at the end of December 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 13th February 2023.

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 2032/33 and the funding source for each capital scheme.
- 8.3 Capital expenditure for 2022/23 is estimated to be **£8.370M**. This is a decrease of **£1.490M** on the forecast in the 2nd quarter report (reported to Cabinet on 13th December 2022). The decrease in spend in 2022/23 is largely due to the reprofiling of projects into 2023/24. Table 1 below details changes to capital programme.

Table 1- Current Capital Estimates

	2022/23 £M	2023/24 £M	2024/25 to 2032/33 £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 2032/33 £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	0	0
Changes at Q2	-2.725	0.861	2.000
Full Council 23/24 Budget	0.045	0.184	3.740
Executive Member – Finance and I.T. approved additional Expenditure – Bancroft Café Kiosk	0.020	0	0
Executive Member – Finance and I.T. approved additional Expenditure – Careline Laptops	0.030	0	0
Changes at Q3	-1.540	1.554	0
Current Capital Estimates	8.370	10.069	23.051

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
Cycle Strategy Implementation	278	0	-278	Currently working in partnership with HCC in preparing a Local Cycling Walking & Infrastructure Plan (LCWIP) which was due for completion this financial year. However due to the high number of consultation responses, further work is required by HCC in reviewing them. Adoption of the LCWIP will not be until autumn 2023. The LCWIP should identify possible schemes that could be part funded from this budget, but these are not likely to occur until late 2023/24.	278

Scheme	2022/23 Working Budget £'000	2022/23 Forecast £'000	Difference £'000	Reason for Difference	Estimated impact on 2023/24 onwards £'000
Transport Plans Implementation	250	0	-250	Following the prolonged Examination process, adoption of the Local Plan only occurred in Nov 2022, as such, work has only recently commenced on the preparation of Supplementary Planning Documents including sustainable transport measures. These are to be completed in 2023/24 which may identify possible schemes that could be part funded from this budget.	250
Parking Charging Payments Management	235	0	-235	This year a detailed feasibility study on alternative methods of payment options has been undertaken. Officers will now be progressing with a detailed procurement exercise to undertake a trial/phasing exercise for new parking machines/technologies to be installed within various car parks commencing in the next financial year.	235
Off Street Car Parks Resurfacing	209	8	-201	Following a resurvey of the car parks some re-profiling of the required planned works has enabled some works to be carried out later than previously expected.	201
Green Infrastructure Implementation	185	0	-185	Following the prolonged Examination process, adoption of the Local Plan only occurred in Nov 2022, as such, work has only recently commenced on the preparation of a Green Infrastructure Supplementary Planning Documents to be completed in 2023/24 which may identify possible schemes that could be part funded from this budget.	185

Scheme	2022/23 Working Budget £'000	2022/23 Forecast £'000	Difference £'000	Reason for Difference	Estimated impact on 2023/24 onwards £'000
Lairage Multistorey Car Park Structural Repairs	114	0	-114	Due to resourcing issues experienced by a third party engaged to tender and manage the works, it's been necessary to find an alternative supplier. A new Quantity Surveyor has been engaged to manage this project and the works will be completed in 2023/24.	114
Match Funding Electric Vehicle Charging	100	0	-100	The procurement exercise in appointing an EV ChargePoint supplier is near completion as is the submission for Govt grant funding. Subject to a successful bid and grant funding still being available the implementation of EV Charge points across NHC car parks will commence next financial year.	100
Royston Leisure Centre Solar Thermal Installation	70	3	-67	Revised project completion date of June 2023 (original due date was 31 March 2023). This is due to undertaking a second procurement exercise. The actual date will be dependent on lead in time for solar panels and project plan from appointed contractor	67
Install On-Street Charging	50	0	-50	This project has been put on hold while undertaking a detailed feasibility study on alternative methods of payment which links in with the overall Parking Charging Payments Management System.	50

Scheme	2022/23 Working Budget £'000	2022/23 Forecast £'000	Difference £'000	Reason for Difference	Estimated impact on 2023/24 onwards £'000
Museum Services Development	48	0	-48	The remaining budget remains earmarked for the introduction of year round use of one of the external spaces of the museum. The exact design has yet to be settled upon due to complexities with the design of the area and the fabric of the structure surrounding this space, however Officers remain optimistic of finding a suitable solution to this in 2023/24	48
Other minor changes			-35		34
Total Revision to Budget Profile			-1.563		1.563

8.5 There are also changes to the overall costs of schemes in 2022/23. These changes total a net increase of £0.023million 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
S106 Projects	177	220	+43	To date, a total of £220k of S106 funds have been released for community schemes.
North Herts Museum Platform Lift	40	0	-40	Due to various more minor works conducted to address the defects of the existing lifts, these now appear to be running more reliably and therefore the budget identified to fully replace these lifts is deemed to no longer be required
Other minor changes			+20	
Total revision to scheme spend			+23	

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	(7.626)	5.595
S106 receipts			(0.301)	
Other third party grants and contributions			(0.443)	
IT Reserve / Revenue			0	
Planned Borrowing			0	
Total			(8.370)	

- 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 £4.45M. 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 nine months, the Council had an average investment balance of £60.0M 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.
- 8.11 The Council generated £0.743M of interest during the first nine months of 2022/23. The average interest rate on all outstanding investments at the 31st December was 3.21%. (30th September it was 2.16%). 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 £1.277M of interest over the whole of 2022/23.

8.12 As at 31st December 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	25%
Building Societies	18%
Government	49%
Local Authorities	8%

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 31st December 2022. The most risky investment has a historic risk of default of 0.017%. It should also be noted that in general the interest rate received is correlated to the risk, so the interest income received would be less if the Council took on less risk.

Borrower	Principal Invested £M	Interest Rate %	Credit Rating	Days to Maturity at 31 Dec	Historic Risk of Default %
DMO (Government)	1.0	3.185	AA-	3	0.000
DMO (Government)	3.0	3.04	AA-	13	0.001
DMO (Government)	2.0	2.33	AA-	18	0.001
DMO (Government)	6.0	2.815	AA-	18	0.001
Nat West	2.0	2.8	A+	20	0.003
Yorkshire Bldg Soc	2.0	2.2	A-	34	0.004
Leeds Bldg Soc	3.0	2.98	A-	37	0.005
DMO (Government)	3.0	3.13	AA-	47	0.003
DMO (Government)	6.0	3.025	AA-	47	0.003
Australia & New Zealand Bank	1.0	2.72	A+	48	0.006
Nat West	2.0	3.0	A+	51	0.006
Coventry Bldg Soc	1.0	3.07	A-	65	0.008
DMO (Government)	2.0	3.4	AA-	65	0.004
Leeds Bldg Soc	1.0	3.16	A-	67	0.008
Leeds Bldg Soc	1.0	3.16	A-	74	0.009
Nat West	1.0	3.2	A+	74	0.009
DMO (Government)	7.0	3.19	AA-	76	0.005
Santander UK	1.0	3.53	A	76	0.010
Australia & New Zealand Bank	2.0	3.43	A+	79	0.010
Santander UK	1.0	3.74	A	79	0.010
Santander UK	1.0	3.52	A	79	0.010
Santander UK	1.0	3.59	A	86	0.011
Santander UK	1.0	3.62	A	90	0.011
Yorkshire Bldg Soc	3.0	3.6	A-	107	0.014

Borrower	Principal Invested £M	Interest Rate %	Credit Rating	Days to Maturity at 31 Dec	Historic Risk of Default %
Australia & New Zealand Bank	2.0	4.14	A+	135	0.017
Worcestershire County Council	5.0	3.85	AA-	173	0.011
	61.0	3.21			

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 £4.4M higher than the budgeted £41.5M. 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.
- 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 £40k 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 £4.45M.

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>

Project	Service Directorate	Spend / Forecast Spend							Funding				Balance funded from Capital Receipts/ Set-aside receipts/ Borrowing
		2022/23 Funding £	2023/24 Funding £	2024/25 Funding £	2025/26 Funding £	2026/27 Funding £	2027/28 Funding £	2028/29 - 2032/33 Funding £	Funded from Other Grants	Funded from Government Grant	Funded from s106 contributions	Funded from Revenue / IT Reserve	
Royston Leisure Centre Members Changing Refurbishment	Place	0	0	150,000	0	0	0	0	0	0	0	0	150,000
Royston Leisure Centre Solar Thermal Installation	Place	2,600	67,400	0	0	0	0	0	0	0	0	0	70,000
S106 Projects	Various	220,000	0	0	0	0	0	0	0	0	220,000	0	0
Security - Firewalls	Customers	20,500	0	16,000	0	18,000	0	18,000	0	0	0	0	72,500
Shared Prosperity Fund Community and Place Intervention: Community Engagement Schemes	Enterprise	0	0	163,000	0	0	0	0	0	163,000	0	0	0
Shared Prosperity Fund Community and Place Intervention: Creation of and improvements to local green spaces	Enterprise	0	20,000	100,000	0	0	0	0	0	120,000	0	0	0
Shared Prosperity Fund Community and Place Intervention: Local sports facilities, tournaments, teams and leagues	Resources	0	100,000	100,000	0	0	0	0	0	200,000	0	0	0
Shared Prosperity Fund Community and Place Interventions	Resources	60,000	0	0	0	0	0	0	0	60,000	0	0	0
Solar PV installation at Hitchin Swim Centre	Place	0	142,000	0	0	0	0	0	0	0	0	0	142,000
Solar PV installation at North Herts Leisure Centre	Place	0	338,000	0	0	0	0	0	0	0	0	0	338,000
Solar PV installation at Royston Leisure Centre	Place	0	241,000	0	0	0	0	0	0	0	0	0	241,000
St John's Cemetery Footpath	Place	0	0	40,000	0	0	0	0	0	0	0	0	40,000
Swinkthorpe Recreation Ground Hitchin	Place	0	30,000	0	0	0	0	0	0	0	0	0	30,000
Tablets - Android Devices	Customers	16,700	10,000	10,000	10,000	10,000	4,000	16,000	0	0	0	0	76,700
Telephony system	Customers	6,900	0	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	0	65,000
Transport Plans implementation (GAF)	Regulatory	0	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	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	0	3,200,000	800,000
Weston Hills Baldock	Place	0	20,000	0	0	0	0	0	0	0	0	0	20,000
Weston Hills LNR Footpath Renovation	Place	0	20,000	0	0	0	0	0	0	0	0	0	20,000
WiFi Upgrade	Customers	0	0	0	40,000	0	0	0	0	0	0	0	40,000
Wilbury Hills Cemetery Footpaths	Place	1,300	15,300	10,000	0	30,000	0	0	0	0	0	0	56,600

8,370,000	10,069,800	7,427,000	9,784,000	1,311,000	622,000	3,907,000	298,300	2,232,100	776,400	3,200,200	34,983,800
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Treasury Management Update

Quarterly report
31st December 2022

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

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Treasury Management Update

Quarter Ended 31st December 2022

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

1. Economics update

- The third quarter of 2022/23 saw:
 - A 0.5% m/m rise in GDP in October, mostly driven by the reversal of bank holiday effects;
 - Signs of economic activity losing momentum as households increased their savings;
 - CPI inflation fall to 10.7% in November after peaking at 11.1% in October;
 - A small loosening in the labour market which pushed the unemployment rate up to 3.7% in October;
 - Interest rates rise by 125bps over Q4 2022, taking Bank Rate to 3.50%;
 - Reduced volatility in UK financial markets but a waning in global risk appetite.
- GDP fell by 0.3% q/q in Q3 2022 (ending 30th September), which probably marked the start of the UK recession. About half of that decline was the effects of the extra bank holiday in September for the Queen's funeral. The unwinding of those bank holiday effects meant that GDP rebounded in October and explained at least 0.3 percentage points (ppts) of the 0.5% m/m rise. Accordingly, if GDP were to avoid falls of more than 0.2% m/m in November and December, then GDP over Q4 as a whole could avoid a contraction, which would prevent a recession in 2022.
- However, at 49.0 in December, the flash composite activity PMI stayed below the "boom-bust" level of 50 and pointed to a small 0.1% q/q contraction in GDP in Q4. Consumer confidence was -42 in December and stayed close to its record low of -49 in September. Strike action could be another small drag and may mean that GDP is 0.0% to 0.5% lower than otherwise in December. GDP is projected to contract marginally in Q4 by around 0.1% q/q.
- Meanwhile, the 0.4% m/m fall in retail sales volumes in November only reversed some of the 0.9% m/m rise in October. That left sales volumes 4.5% below their level at the start of the year. Indeed, the rise in the household saving rate from 6.7% in Q2 to 9.0% in Q3 implied that higher interest rates are encouraging households to save more. And a larger-than-usual £6.2bn rise in cash in household bank accounts in October may imply households have started to increase their precautionary savings.
- There were signs that the labour market was loosening gradually going into the final quarter of 2022. Although employment in the three months to October rose by 27,000, the fall in the composite PMI employment balance in December took it into contractionary territory and suggests that labour demand will cool. Meanwhile, labour supply improved as inactivity fell by 76,000 in the three months to October. That helped drive a rise in the unemployment rate from 3.6% in September to 3.7% in October. The number of job vacancies in November fell for the sixth consecutive month and were 18% below their peak in May.
- Crucially, though, wage growth remained resilient. Average earnings growth, excluding bonuses, grew by 0.7% m/m in October, above the 2022 monthly average of 0.5% m/m. That drove the 3myy rate up to 6.2%, well above the rates of 3-3.5% consistent with inflation at its 2% target. Wage growth is likely to slow gradually in the coming months as the labour market loosens further but if extensive strike action is successful in achieving large pay increases, then wage growth could be a bit stronger for longer.
- CPI inflation peaked in October at a 41-year high of 11.1% and fell to 10.7% in November. Goods price inflation, which is driven largely by global factors, has peaked. The sharp rises in energy prices in 2022 mean that energy price inflation will fall sharply in 2023. Meanwhile, the large fall in agricultural prices since May means that food price inflation should start to decline soon. What's more, upward pressure on goods price inflation from global supply shortages is fading quickly.

- Domestic inflation pressures also eased in Q4. The 0.2% m/m rise in core CPI inflation in November was the smallest monthly gain since August 2020 and drove a fall in core CPI inflation from 6.5% in October to 6.3% in November. Services CPI inflation was stable at 6.3% in November despite the resilience of wage growth. And the easing of price expectations in the Bank of England's Decision Maker Panel survey in November suggests that inflation may become less persistent.
- The Chancellor's Autumn Statement on 17th November succeeded in restoring the government's fiscal credibility in the eyes of the financial markets without deepening the recession. The total fiscal consolidation package of £54.9bn (1.8% of GDP) in 2027/28 made the outlook for fiscal policy much tighter than at the beginning of Q4. The package was heavily backloaded, with net handouts of £3.8bn (0.15% of GDP) in 2023/24 and £0.3bn (0.01% of GDP) in 2024/25, and most of the tightening kicking in after 2024/25. The largest fiscal support was the extension of the Energy Price Guarantee for another 12 months, until April 2024, although at a higher price cap of £3,000 from April 2023 rather than £2,500. At the same time, Chancellor Hunt loosened the fiscal rules by requiring debt as a percentage of GDP to be falling in five years' time, rather than three. The Office of Budget Responsibility (OBR) estimated that the Chancellor will meet this new rule with a slim £9.2bn (0.3% of GDP) to spare.
- With fiscal policy now doing much less to fan domestic inflation pressures, we think Bank Rate will peak at 4.50%, or at least close to that figure. Despite stepping up the pace of policy tightening to a 75-basis point (bps) rate hike in November, taking Bank Rate from 2.25% to 3.00%, the MPC's communication was dovish. The MPC pushed back heavily against market rate expectations, which at the time were for Bank Rate to peak at 5.25%. The Bank's new forecasts predicted a deeper and longer recession than the analyst consensus, of eight quarters and with a peak-to-trough fall in real GDP of 2.9%.
- The Bank sounded dovish again in December when it slowed the pace of tightening with a 50bps rate rise, from 3.00% to 3.50%. Two members, Dhingra and Tenreyro, voted to leave rates unchanged, judging that the current level of Bank Rate was sufficient to bring inflation back to target. That said, the rest of the MPC appeared to suggest that further rate hikes would be necessary. We expect that the majority of the MPC will need to see stronger signs that activity is slowing, the labour market is loosening, and wage growth is slowing before stopping rate rises. As such, we expect that the MPC will deliver three further rate hikes in February, March and May, taking Bank Rate to a peak of 4.50% but with the pace of increase reducing to 25bps in March and May.
- Gilt yields have fallen sharply since their highs following the "mini-budget" on 23rd September as government fiscal credibility has been largely restored with the resignation of Truss-Kwarteng and the fiscal consolidation package announced at the Autumn Statement on 17th November. Indeed, the 10-year yield fell from a peak of 4.55% to about 3.60% now, while the 30-year yield fell from 5.10% to 3.90%. Admittedly, yields rose by around 50bps in December, partially on the back of a global rise in yields. But if we are right in thinking Bank Rate will fall back in 2024 and 2025 then gilt yields will probably fall over the next two years, with the 10-year yield slipping from around 3.60% now to 3.30% by the end of 2023 and to 2.80% by the end of 2024.
- Lower volatility in gilt markets in Q4 meant that the Bank of England was able to stop its purchases of long-term gilts for financial stability reasons as planned on 14th October. It was also able to begin active gilt sales in November, albeit with a focus on shorter dated gilts. So far quantitative tightening has had little influence on short-term money markets. But as it is still an experiment, the risk of a widespread tightening in financial conditions remains.
- The restoration of fiscal credibility boosted the pound and the FTSE 100 early in Q4. While much of the benefit passed in the first half of Q4, sterling continued to rally against a softer dollar. Our colleagues at Capital Economics do not think that the global recession is fully priced into markets, and so expect a further fall in risk appetite to boost safe haven demand for the dollar and weigh on the pound. They are expecting the pound to fall from \$1.19 now to \$1.10 in mid-2023, before climbing to \$1.15 by the end of 2023 as the prospect of lower interest rates and a recovery in global economic growth buoys equity prices.
- Through December, the rally in the FTSE 100 petered out as investors have become increasingly concerned by the prospect of a global recession. However, the relatively dovish tone of the Bank of England, compared to the Federal Reserve and the ECB meant that UK equities held up better than other developed market indices. Indeed, at 7,452 at the December month end, the FTSE 100 is only marginally below its peak of 7,568 on 5th December, while the S&P 500 is around 4% lower over the same period. Nevertheless, there is a great deal of uncertainty as to which direction markets will move in 2023 and at what pace. Continued volatility is anticipated.

MPC meetings 3rd November and 15th December 2022

- On 3rd November, the Bank of England's Monetary Policy Committee (MPC) increased Bank Rate by 75 basis points to 3.00%, and on 15th December moved rates up a further 50 basis points to 3.50%. The later increase reflected a split vote – six members voting for a 50 basis points increase, one for 75 basis points and two for none.
- Nonetheless, the UK government appears more settled now, with Rishi Sunak as Prime Minister, and Jeremy Hunt as Chancellor. Having said that, a multitude of strikes across several public services and the continued cost-of-living squeeze is going to make for a difficult backdrop to maintain fiscal rectitude without pushing the economy into anything worse than a mild recession.
- Of course, what happens outside of the UK is also critical to movement in gilt yields. The US FOMC has led with increases of 425 basis points in 2022 and is expected to increase rates further in 2023. Similarly, the ECB has also started to tighten monetary policy, albeit from an ultra-low starting point, as have all the major central banks apart from Japan (although the BoJ has "tightened" its policy by widening the accepted yield levels for 10yr JGBs, from 0.25% to 0.5% on 20th December). Arguably, though, it is US monetary policies that are having the greatest impact on global bond markets.
- What happens in Ukraine will also impact the global economy, but particularly in Europe. The search for alternative providers of energy, other than Russia, will take both time and effort. The weather will also play a large part in how high energy prices stay and for how long.

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, made on 19th December, 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 also providing a limited package of fiscal loosening to try and protect households and businesses from the ravages of ultra-high wholesale gas and electricity prices. PWLB rates reflect a less elevated yield curve than prevailed under the Truss/Kwarteng government, and the 17th of November Autumn Statement made clear the government's priority is the establishment and maintenance of fiscal rectitude. In addition, 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.

Our current and previous PWLB rate forecasts below are based on the Certainty Rate.

Link Group Interest Rate View	19.12.22												
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
BANK RATE	3.50	4.25	4.50	4.50	4.50	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.50
3 month ave earnings	3.60	4.30	4.50	4.50	4.50	4.00	3.80	3.30	3.00	3.00	2.80	2.50	2.50
6 month ave earnings	4.20	4.50	4.60	4.50	4.20	4.10	3.90	3.40	3.10	3.00	2.90	2.60	2.60
12 month ave earnings	4.70	4.70	4.70	4.50	4.30	4.20	4.00	3.50	3.20	3.10	3.00	2.70	2.70
5 yr PWLB	4.20	4.20	4.20	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.20	3.10
10 yr PWLB	4.30	4.40	4.40	4.30	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.30
25 yr PWLB	4.60	4.60	4.60	4.50	4.40	4.20	4.10	4.00	3.90	3.70	3.60	3.50	3.50
50 yr PWLB	4.30	4.30	4.30	4.20	4.10	3.90	3.80	3.70	3.60	3.50	3.30	3.20	3.20

Link Group Interest Rate View	08.11.22												
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
BANK RATE	3.50	4.25	4.50	4.50	4.50	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.50
3 month ave earnings	3.60	4.30	4.50	4.50	4.50	4.00	3.80	3.30	3.00	3.00	2.80	2.50	2.50
6 month ave earnings	4.20	4.50	4.60	4.50	4.20	4.10	3.90	3.40	3.10	3.00	2.90	2.60	2.60
12 month ave earnings	4.70	4.70	4.70	4.50	4.30	4.20	4.00	3.50	3.20	3.10	3.00	2.70	2.70
5 yr PWLB	4.30	4.30	4.20	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.20	3.10
10 yr PWLB	4.50	4.50	4.40	4.30	4.20	4.00	3.90	3.70	3.60	3.50	3.40	3.30	3.20
25 yr PWLB	4.70	4.70	4.60	4.50	4.40	4.30	4.10	4.00	3.90	3.70	3.60	3.50	3.50
50 yr PWLB	4.30	4.40	4.30	4.20	4.10	4.00	3.80	3.70	3.60	3.40	3.30	3.20	3.20

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	

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

A SUMMARY OVERVIEW OF THE FUTURE PATH OF BANK RATE

- Our central forecast for interest rates was most recently updated on 19th December and reflected a view that the MPC would be keen to further demonstrate its anti-inflation credentials by delivering a succession of rate increases. This has happened but the Government's policy of emphasising fiscal rectitude will probably mean Bank Rate will not need to increase to further than 4.5%.
- Further down the road, we anticipate the Bank of England will be keen to loosen monetary policy when the worst of the inflationary pressures are behind us – but that timing will be one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged.
- The CPI measure of inflation looks to have peaked at 11.1% in Q4 2022 (currently 10.7%). Despite the cost-of-living squeeze that is still taking shape, the Bank will want to see evidence that wages are not spiralling upwards in what is evidently a very tight labour market.
- Regarding the plan to sell £10bn of gilts back into the market each quarter (Quantitative Tightening), this has started and will focus on the short, medium and longer end of the curve in equal measure now that the short-lived effects of the Truss/Kwarteng unfunded dash for growth policy are firmly in the rear-view mirror.
- In the upcoming months, our forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the Government over its fiscal policies, but the on-going conflict between Russia and Ukraine. (More recently, the heightened tensions between China/Taiwan/US also have the potential to have a wider and negative economic impact.)
- On the positive side, consumers are still estimated to be sitting on over £160bn of excess savings left over from the pandemic so that will cushion some of the impact of the above challenges. However, most of those are held by more affluent people whereas lower income families already spend nearly all their income on essentials such as food, energy and rent/mortgage payments.

PWLB RATES

- The yield curve movements have become less volatile of late and PWLB 5 to 50 years Certainty Rates are, generally, in the range of 4.10% to 4.80%.
- We view the markets as having built in, already, nearly all the effects on gilt yields of the likely increases in Bank Rate and the elevated inflation outlook.

The balance of risks to the UK economy: -

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

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

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

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

- The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly and for a longer period within the UK economy, which then necessitates Bank Rate staying higher for longer than we currently project or even necessitates a further series of increases in Bank Rate.

- **The Government** acts too quickly to cut taxes and/or increases expenditure in light of the cost-of-living squeeze.
- **The pound weakens** because of a lack of confidence in the UK Government's fiscal policies, resulting in investors pricing in a risk premium for holding UK sovereign debt.
- Longer term **US treasury yields** rise strongly and pull gilt yields up higher than currently forecast.
- Projected **gilt issuance, inclusive of natural maturities and QT**, could be too much for the markets to comfortably digest without higher yields consequently.

3. Annual Investment Strategy

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

- Security of capital
- Liquidity
- Yield

The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity, aligned with the Council's risk appetite. In the current economic climate, over and above keeping investments short-term to cover cash flow needs, there is a benefit to seek out value available in periods up to 24 months.

As shown by the interest rate forecasts in section 2, investment rates have improved dramatically during the first three quarters of 2022/23 and are expected to improve further as Bank Rate continues to increase over the next few months.

Creditworthiness.

There have been few changes to credit ratings over the quarter under review. However, officers continue to closely monitor these, and other measures of creditworthiness to ensure that only appropriate counterparties are considered for investment purposes.

Investment counterparty criteria

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

CDS prices

For UK banks, these have retreated from the spikes caused by the Truss / Kwarteng policy approach in September. Even so, as wider rate markets have increased and concerns over the economic outlook (both domestic and international) have grown, so prices in general are now higher than they were at the start of the financial year. However, the changes do not leave prices misaligned with other creditworthiness indicators, such as credit ratings. **Nevertheless, it remains important to undertake continual monitoring of all aspects of risk and return in the current circumstances.**

Investment balances

The average level of funds available for investment purposes during the quarter was **£62m**. 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).

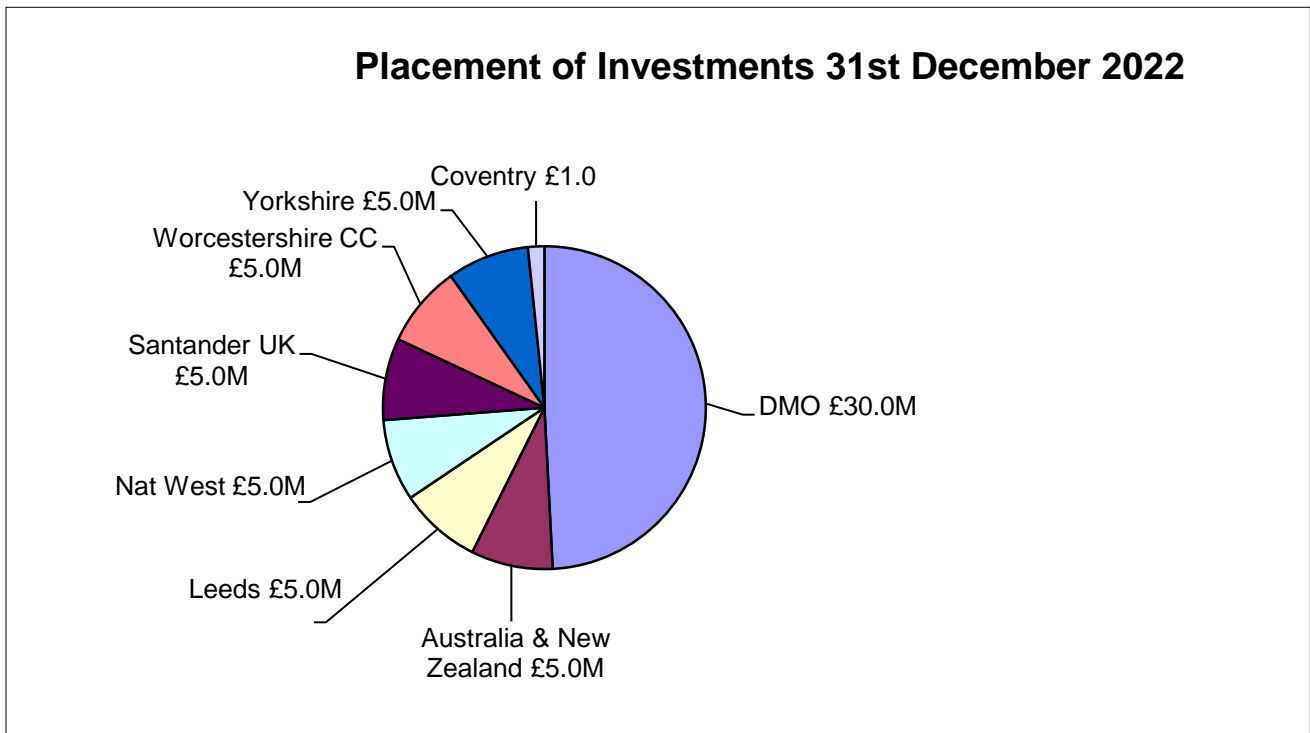
	Amount	Average
	£	Interest Rate %
Managed By NHC		
Banks	15,000,000	3.37
Building Societies	11,000,000	2.98
Local Authorities	5,000,000	3.85
Government	30,000,000	3.00
Total	61, 000,000	3.21

In percentage terms, this equates to:

	Percentage
Government	49
Banks	25
Local Authorities	8
Building Societies	18

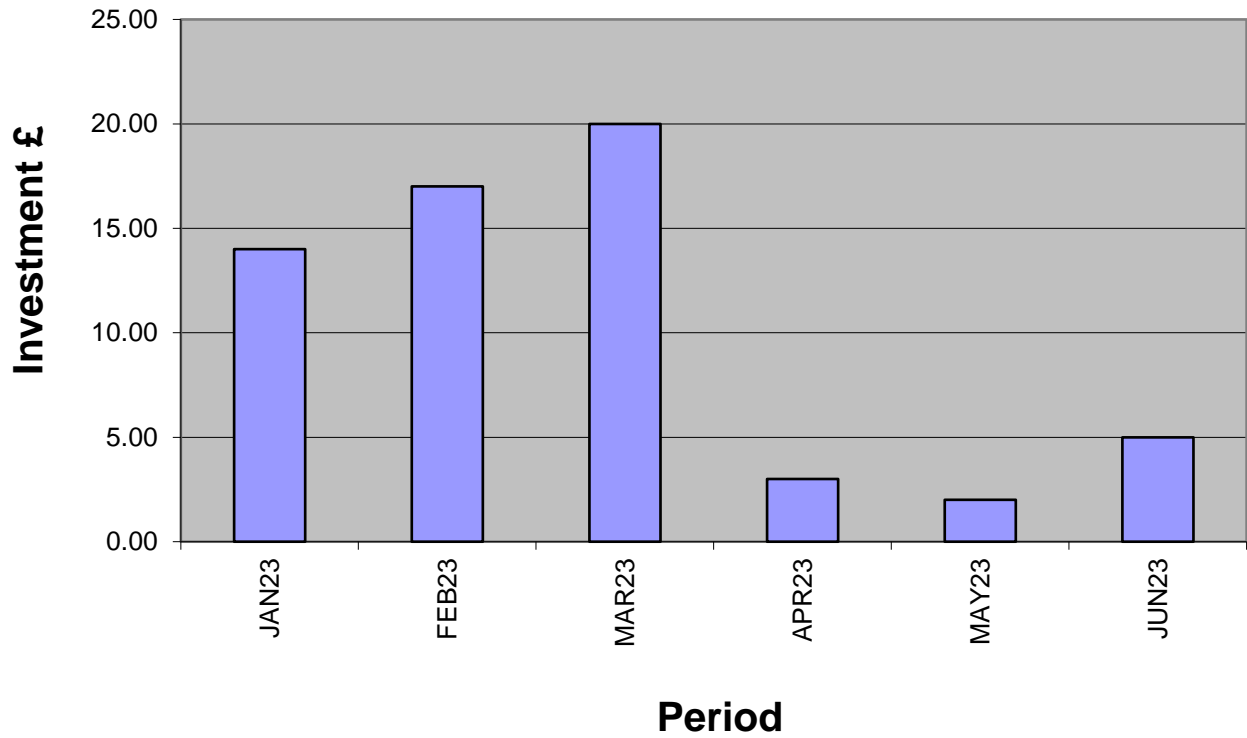
The approved 22/23 strategy is that no more than 60% of investments should be placed with Building Societies and Property Funds with a maximum value of £23M. The value at 31 December was £11.0M.

The pie chart below shows the spread of investment balances as at 31 December 2022. This is a snapshot in time that demonstrates the diversification of investments.

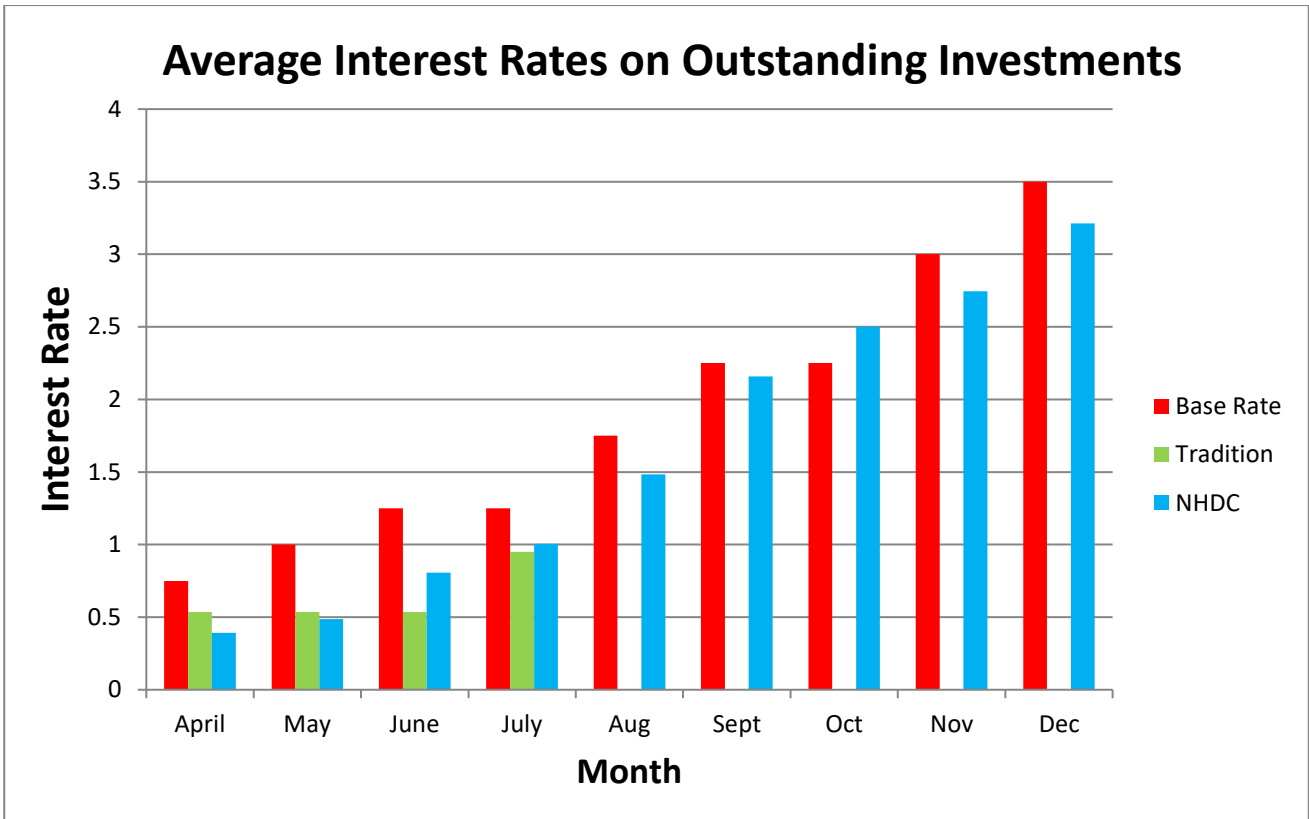


The chart below shows the Council's investment maturity profile.

Investment Maturity 31st December 2022



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



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 31st December 2022.

4. Borrowing

No borrowing was undertaken during the quarter ended 31st December 2022.

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

Based on 3rd quarter estimates for capital expenditure, the Council's capital financing requirement (CFR) for 2022/23 is expected to be -£2.65M (-£4.44M at the end of 21/22). The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing) or from internal balances (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions and future forecasts.

Loans Outstanding at 31 December 2022:

	Amount	Average Interest Rate
	£	%
Public Works Loans Board	£377k	10.20

Estimated outstanding debt:

Year	Forecast Borrowing £m	Forecast other long-term liabilities £m	Less: Internal Borrowing £m	Forecast Total External Debt £m	Operational Boundary £m	Authorised Limit £m
31 st March 2023 (Forecast)	0.367	0.731	0	1.098	2.1	7.1
31 st March 2024 (Forecast)	0.347	0.224	0	0.571	1.6	6.6
31 st March 2025 (Forecast)	1.632	0.106	1.307	0.431	1.5	6.5
31 st March 2026 (Forecast)	7.963	4.100	7.723	4.340	1.5	6.5
31 st March 2026 (Forecast)	8.873	3.592	9.034	3.431	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	17.786	0.219
2023/24	0.037	18.539	0.200
2024/25	0.095	18.333	0.517
2025/26	0.383	17.960	2.130
2026/27	0.440	17.345	2.534

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	1.277	-1.238	17.786	-6.961
2023/24	0.037	1.212	-1.175	18.539	-6.338
2024/25	0.095	1.602	-1.507	18.333	-8.220
2025/26	0.383	1.021	-0.638	17.960	-3.55
2025/26	0.440	0.531	-0.091	17.345	-0.525

5. Debt rescheduling

No debt rescheduling was undertaken during the quarter.

6. Compliance with Treasury and Prudential Limits

The prudential and treasury Indicators are shown in Appendix 1.

It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits, During the year to date as of 31st December 2022, the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement for 2022/23. The Director of Finance reports that no difficulties are envisaged for the current or future years in complying with these indicators.

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

APPENDIX 1: Prudential and Treasury Indicators for 2022-23 as of 31st December 2022

Treasury Indicators	2022/23 Budget £'000	31.03.22 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	61,000
Net borrowing	47,013	60,623

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
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Prudential Indicators	2022/23 Budget £'000	31.03.22 Actual £'000
Capital expenditure *	8,370	5,847
Capital Financing Requirement (CFR) *	-3,183	-2,982
In year borrowing requirement	0	0
Ratio of financing costs to net revenue stream *	-0.442	-2.49

CABINET
14 March 2023

PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: THIRD 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 third quarter. The forecast variance is a £1.090million decrease in the net working budget of £18.056 million, with an ongoing impact in future years of a £35k increase and a request to carry forward budgets totalling £514k to fund specific projects in 2023/24. The forecast underspend variance in 2022/23 includes £389k of unspent budget that was approved to be carried forward when the 2023/24 revenue budget was approved by Council in February. All the significant component variances are detailed and explained in table 3.

2. RECOMMENDATIONS

2.1. That Cabinet note this report.

2.2. That Cabinet approves the changes to the 2022/23 General Fund budget, as identified in table 3 and paragraph 8.3, a £1.090million decrease in net expenditure.

2.3. That Cabinet approves the changes to the 2023/24 General Fund budget, as identified in table 3 and paragraph 8.3, a total £549k increase in net expenditure.

2.4. That Cabinet approves the use of £140k of salary budget carry-forward for additional Service Director capacity for an 18- month period, and that the allocation of the remainder (if needed) will be delegated to the Managing Director (as Head of Paid Service), in consultation with the Leader, Deputy Leader and Executive Member for Finance and IT.

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 13th February 2023.

7. BACKGROUND

- 7.1. Council approved the revenue budget for 2022/23 of £18.198million in February 2022. As at the end of Quarter Two, the working budget has decreased to £17.786million. 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)
Quarter 2 2022/23 Revenue Monitoring report - 2022/23 variances approved by Cabinet (December 2022)	(270)
Current Working Budget	17,786

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

Table 2 – Service Directorate Budget Allocations

	Working Budget at Quarter Two	Changes approved at Quarter Two	Other Budget Transfers during Q3	Current Net Direct Working Budget
Service Directorate	£k	£k	£k	£k
Managing Director	1,252	(386)	(21)	845
Customers	4,389	(69)	9	4,329
Enterprise	(233)	27	33	(173)
Legal & Community	2,435	51	32	2,518
Place	5,510	(217)	(40)	5,253
Regulatory Services	1,981	302	2	2,285
Resources	2,722	22	(15)	2,729
TOTAL	18,056	(270)	0	17,786

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
Significant Variances Identified at Month 8						
Social Care Levy Central Contingency Budget	88	0	(88)	An additional budget review was carried out at the end of November 2022 (month 8). The significant current year variances identified were itemised and explained within the monitoring included in the Revenue Budget report 2023/24 presented to Cabinet in January. The ongoing impact and carry forward request values were included in the budget estimates for 2023/24 – 2027/28 recommended to Council for approval in February. All the expenditure budget forecast to be unspent in respect of Electric Vehicle Charging Points, SPDs, Town Centre Strategies, Transport User Group Forum, Local Plan Post Adoption Review and Brexit Grant funded expenditure was requested to be carried forward into 2023/24.		
Electric Vehicle Charging Points	73	10	(63)			
Supplementary Planning Documents (SPDs)	167	0	(167)			
Town Centre Strategies	80	0	(80)			
Transport User Group Forum	47	1	(46)			
Local Plan Post Adoption Review	35	13	(22)			
Brexit Grant Funded Expenditure	12	1	(11)			
TOTAL	502	25	(477)			
Legal & Community Directorate Staffing Costs	1,805	1,775	(30)	A significant forecast underspend variance against staffing in Legal & Community was also highlighted in the November monitoring. This estimate at the end of Quarter Three represents an update to the forecast at Month 8. The underspend is largely due to vacant posts in Democratic Services and Community Safety. See 'Regulatory Directorate Staffing Costs' underspend for carry-forward explanation.	30	0

Budget Area	Working Budget £k	Forecast Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2023/24 £k
Investment Interest Income	(1,126)	(1,277)	(151)	Investment interest rates have continued to rise during the quarter, with the Bank of England base rate increasing from 2.25% to 3.5% during the quarter. The average interest rate return on all outstanding investments at the end of Q3 therefore rose to 3.21%, compared to 2.16% at the end of Q2. The estimated ongoing impact was included in the revenue budget estimates presented to Council for approval in February.	0	0
Covid Contingency Budget	110	0	(110)	With no adverse impact evident on the demand for winter indoor events at Hitchin Town Hall, the remaining £110k of the central contingency budget, allocated in respect of Hitchin Town Hall income, is forecast to be unused.	0	0
Corporate Apprenticeship Scheme	347	247	(100)	A proportion of the underspend in the current year relates to several apprentices who moved into permanent roles before the end of their apprenticeships, while one apprentice left the Council mid-way through their apprenticeship. The number of apprenticeship placements has been increased to utilise the underspend accumulated and therefore it is requested that the unspent budget is carried forward to fund the cost of the additional placement contracts in next year.	100	0
Temporary Accommodation – Net Housing Benefit Expenditure	172	120	(52)	Forecast underspend variance mostly offsets the £83k overspend projected in the Quarter One monitoring report. While the forecast at Quarter One assumed some reduction in hotel usage during this year compared to the prior year, as the supply of supported housing options has increased, the actual numbers of homeless people accommodated in hotels this year has been even lower than projected. This has reduced the associated housing benefit subsidy loss, which occurs as Housing Benefit payments for temporary accommodation are not eligible for full reimbursement through Housing Benefit subsidy grant.	0	0
Enterprise Directorate Staffing Costs	1,012	939	(73)	Underspend reflects vacancies held in this year within the Enterprise Team and Estates Service. See 'Regulatory Directorate Staffing Costs' underspend for carry-forward explanation.	60	0

Budget Area	Working Budget £k	Forecast Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2023/24 £k
Enterprise Team - Consultants	30	1	(29)	This investment budget was to support the appraisal of new opportunities as well as progressing existing projects. It has not been required to be used this year. As there is no permanent budget for this activity, it is requested that the unspent budget is carried forward to ensure resource is available to support projects in next year.	29	0
Bulky Waste Collection Service Income	(44)	(74)	(30)	The working budget is based on activity levels prior to the pandemic. The forecast variance therefore indicates the higher level of demand for the service experienced since the first lockdown, with forecast income only marginally lower than the actual (£85k) achieved in the prior financial year.	0	0
Income from paper recycling				Forecast income variances reflect the continued decline in the tonnages of paper collected for recycling. This is attributed to the relative decline in consumption of print media with more people consuming content digitally.		
Income from sale of paper	(179)	(163)	+16		0	16
Recycling credits income	(75)	(49)	+26		0	26
Net Total	(254)	(212)	+42		0	42
Commingled Recycling Haulage and Processing costs	40	356	+316	Amounts charged by the contractor for haulage and processing are net of the sale proceeds from the recycled materials collected (which can be a cost or can be income). Material prices fluctuate significantly with global market impacts. Based on prices achieved in the first part of the year, the original budget of £380k was reduced by £341k (a reduction in cost) at Quarter One. The net proceeds have however fallen substantially since then, most notably in respect of mixed card and paper.	0	0
AFM Funded Waste Minimisation Expenditure	123	92	(31)	Work is ongoing in relation to the waste procurement and some elements of legal and consultancy work have taken longer to complete than anticipated, hence impacting on spend. A carry forward is requested to fund the completion of this activity in the next financial year.	31	0
Planning Control Legal Fees	1	28	+27	Following the submission of a Judicial Review in respect of a planning application, the Council has come to an agreement with the relevant parties without the need for Court action. The forecast outturn relates to a payment associated with that agreement.	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
Regulatory Directorate Staffing Costs	1,616	1,376	(240)	<p>Underspend variance reflects the high level of turnover of staff during the year and the difficulty in filling vacancies. There have been several vacancies for more senior roles within the Directorate in the last quarter which has necessitated the use of agency staff. These posts are likely to continue to be vacant into quarters 1 and 2 of 2023/24 and, as such, agency cover will continue to be required at a significantly higher cost than the estimated cost of posts recorded on the establishment. Additional budget of £30k is therefore requested in 2023/24 only to cover the additional costs anticipated.</p> <p>The remaining underspend is requested to be carried forward, along with the Legal & Community staffing underspend of £30k and £60k of the Enterprise staffing underspend, giving a total of £300k. See paragraph 8.2 for further details.</p>	210	30
Parking Season Tickets Sales Income	(135)	(175)	(40)	Revised forecast at Quarter 3 is primarily due to a particularly large order for permits received in December. The recovery in sales activity since the pandemic restrictions were lifted has generally been very gradual, with the forecast income outturn of £175k representing a slower recovery than assumed in the calculation of the corresponding Covid contingency budget provision for 22/23.	0	0
On Street Parking Lines and Signs	53	23	(30)	There has been increased spend on this budget in this financial year in delivering an ongoing maintenance programme for the replacement of lines and signs as required across the district. The remainder of the budget was allocated towards funding the replacement and upgrading of the tariff boards associated with the installation of EV charging points across the council car parks and with the alternative methods of payment project. There has been a delay in both these projects due to the requirement for further feasibility work and having to follow the appropriate procurement process for the EV Charging points. It is therefore requested that the remainder of the budget is carried forward as it is expected to be spent in 2023/24 with the implementation of the two projects.	30	0

Budget Area	Working Budget £k	Forecast Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2023/24 £k
Gas and Electricity Costs	316	289	(27)	Underspend reflects a lower level of actual energy consumption during the year than anticipated in the original budget, the calculation of which was made more difficult by the impact in the prior year of Covid-19 on the use of Council premises. The reduced consumption has a higher estimated financial impact in next year, as unit prices are expected to increase (the price increase is already incorporated in to the budget for 2023/24).	0	(43)
Repairs and Maintenance Expenditure	174	127	(47)	Approximately half of the forecast underspend is due to works being completed at lower cost than anticipated. Some of the works completed at lower cost is due to them being delivered in-house rather than through an external contractor. It will however not be possible to complete all planned maintenance works in 2022/23 and a carry forward of £24k is therefore requested to finance the cost of these works in the next financial year.	24	0
Total of explained variances	4,742	3,660	(1,082)		514	29
Other minor balances	13,044	13,036	(8)		0	6
Overall Total	17,786	16,696	(1,090)		514	35

8.2. At the Council budget meeting in February the following resolution was passed: "Council notes the staff resourcing issues that the Council faces, particularly in relation to planning and the strategic implementation of the Local Plan, and notes that Cabinet and the Head of Paid Service will look at options to make use of available resources (such as carry-forward of unspent salary budgets) to support the delivery of key Council functions and priorities." As identified in table 3 above, there are staffing underspends from this year of £300k that Cabinet is asked to approve to be carried forward. The use of this funding will focus on creating capacity to deliver existing Council priorities. That will include creating additional fixed-term capacity (around 18 months) at the Service Director level in Regulatory, to allow the current Service Director to focus on strategic Planning issues. Noting that the effective implementation of the Local Plan and supplementary planning documents, could lead to significant levels of planning income and improved planning obligation contributions. This will also help enable the work on town centre strategies. Including employer on-costs that would be around £140k (for 18 months). The remainder would only be used where it could be shown that additional short-term staffing resource could improve resilience, that contributes towards the achievement of existing Council priorities and projects. A small proportion may be used for an independent review of the Council's future senior management structure. As detailed in recommendation 2.4, the exact use of the budget will be delegated to the Managing Director, in consultation with the Leader, Deputy Leader and Executive Member for Finance and IT.

8.3. Cabinet are asked to approve the differences highlighted in the table above (a £1.090million decrease in spend), as an adjustment to the working budget (recommendation 2.2). Cabinet are asked to approve the estimated impact on the 2023/24 budget of a £549k increase in budget, which includes the request to carry forward £514k of budget from 2022/23 to 2023/24 (recommendation 2.3).

8.4. 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 Two was a net overachievement of £881k. The current forecast at the end of Quarter Three is a net overachievement of £1,046k. The increase of £165k since Quarter Two relates to:

- Increase of £151k in the overachievement of forecast interest income from investment of surplus cash balances, as itemised in table three above.
- £4k overachievement of the North Herts Lottery efficiency. In line with the business case, the proposal did not assume any surplus income in the current financial year. Forecast net income of £3k from the lottery was reported at Quarter Two, with a further £1k included in the 'other minor variances' total in table 3 above.
- £10k overachievement of the net income anticipated from the letting of land at Newark Close, Royston. The proposal had assumed some clean-up of the site would be required prior to letting to a new tenant but in the event the lease has been assigned to a new tenant without the Council incurring this additional cost. The saving is included in the 'other minor variances' total in table 3.

8.5. 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 Two, it was forecast that the £20k budget carried forward in respect of the Housing Stock condition survey would not be spent in this financial year. At Quarter Three it is forecast that £363k of the budget carried forward will not be spent. £317k of the increase in the forecast comprises unspent budget carried forward in respect of Electric Vehicle Charging Points (£53k), Supplementary Planning Documents (£167k), Town Centre Strategies (£40k), Transport User Group Forum (£46k) and Brexit Grant Funded Expenditure (£11k), for reasons explained in the month 8 monitoring presented within the Revenue Budget 2023/24 report. The remainder relates to;

- Parking Lines and Signs - £15k of the £38k budget carried forward will not be spent in this year, as explained in table three above, and is requested to be carried forward again to 2023/24.
- Repairs and Maintenance – £11k of the £49k carried forward for planned maintenance works is forecast to be unspent in this year, as highlighted in table 3 above, and is requested to be carried forward again to 2023/24.

All the other budgets carried forward are expected to be spent in this year.

8.6. 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.






8.7. At the end of Quarter Two, two of the indicators were green, one indicator was amber, and three of the indicators were red. At the end of Quarter Three, three of the indicators are green and three are red. The additional green indicator at Quarter 3 relates to income from parking PCNs. The change in status is due to the level of activity and income receipts recorded during quarter 3 exceeding original budget estimates for the quarter and hence indicating that the full year budget will 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)	(495)	(671)	186
Garden Waste Collection Service Subscriptions	Green	(1,139)	(1,631)	(1,223)	(84)
Commercial Refuse & Recycling Service Income	Green	(1,113)	(895)	(1,153)	(40)
Planning Application Fees (including fees for pre-application advice)	Red	(1,006)	(905)	(823)	183
Car Parking Fees	Red	(1,999)	(1,317)	(1,785)	214
Parking Penalty Charge Notices (PCNs)	Green	(573)	(432)	(573)	0

8.8. 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.

Table 5 - Corporate financial health indicators – activity drivers

Indicator	Activity Measure	Performance to Q3 2022/23	Performance to Q3 2021/22	Percentage Movement	Direction of Trend
Leisure Centres Management Fee	Number of Leisure Centre visits	1,083,908	612,373	+77.0%	
Garden Waste Collection Service	Number of bin subscriptions at end of quarter 3	27,920	26,899	+3.8%	
Commercial Refuse & Recycling Service	Number of customers	1,014	1,045	-3.0%	
Car Parking Fees	Car park tickets sold / average ticket price sold	855,931 / £1.63	817,931 / £1.56	+4.6% / +4.7%	
Parking Penalty Charge Notices	Number of PCNs issued	10,202	10,684	-4.5%	

FUNDING, RISK AND GENERAL FUND BALANCE

8.9. 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. In addition, on 6th February 2023 the Government announced the allocations for the distribution of the business rates levy account surplus, with North Herts Council eligible to receive £23k in 2022/23. This amount has been added to the fore

- 8.10. 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.
- 8.11. The Council's share of the Council Tax Collection Fund is forecast to be a surplus balance of £138k at the end of the year. The surplus amount of £138k will be transferred from the Collection Fund to the General Fund in the next financial year and will therefore increase the amount of funding available in 2023/24, as was shown in Appendix C to the Revenue Budget 2023/24 report. Any difference between this estimate and the actual position recorded at the end of the financial year will affect the calculation of the surplus / deficit position for 2023/24 and therefore impact the level of Council Tax funding available in 2024/25.
- 8.12. At Quarter Two the forecast of the Council's share of the balance for 2022/23 in respect of the Business Rates Collection Fund was a surplus of around £0.5m, primarily due to lower levels of retail relief applied to rates bills this year than anticipated when estimates were prepared in January 2022. This forecast remains unchanged at Quarter Three, with a forecast surplus of £453k declared in the NNDR1 return submitted to Central Government in January 2023. Similar to the Council Tax Collection Fund, the surplus amount will be transferred to the General Fund in the next financial year and any difference with the final outturn will affect the following year's surplus / deficit position. The transfer of the surplus next year will reduce the contribution required from the grant held in earmarked reserve (paragraph 8.14 refers) to ensure the business rates income amount charged to the General Fund in 2023/24 is in line with the amounts declared in the NNDR1 return.
- 8.13. 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. With the value dependent on the actual level of business rates income collected across the Hertfordshire authorities, the contribution to the pool required for 2022/23 will not be known until all the pool authorities have declared their business rates income to government after the end of the financial year. In any case, the contribution will be funded from the grant held in earmarked reserve and therefore will have a net zero impact on the General Fund balance at the end of the year.
- 8.14. 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.

- 8.15. 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 scheme has awarded reliefs against chargeable business rates amounts for 2021/22 totalling £1.16m, of which the Council's share is 40% (£466k). The cost of the reliefs awarded through the fund is included in [has reduced] the estimated surplus position referred to in paragraph 8.12 above. The compensating grant (£466k) will be charged to the General Fund in this financial year. We would usually transfer the grant to 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 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 £466k (compared with the current forecast shown in table 6 below).
- 8.16. 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. The budget provision has now been fully allocated, with £1.190m used to mitigate forecast adverse variances reported at Quarter One and a further £550k forecast to be unused.
- 8.17. Table 6 below summarises the impact on the General Fund balance of the position at Quarter Three detailed in this report and includes the planned transfer of the mausoleum earmarked reserve back to the General Fund, as there is no longer the demand to justify building new niches, following the Cabinet discussion of the Revenue Budget 2023/24 report presented to Council in February.

Table 6 – General Fund impact

	Working Budget	Projected Outturn	Difference
	£k	£k	£k
Brought Forward balance (1st April 2022)	(10,607)	(10,607)	-
Net Expenditure	17,786	16,696	(1,090)
Funding (Council Tax, Business Rates, NHB, Lower Tier Services Grant, 2022/23 Services Grant, Business Rates Levy Surplus)	(15,820)	(15,843)	(23)
Release of the balance held in the earmarked Special Reserve	(640)	(640)	0
Release of Cemetery Mausoleum earmarked reserve	0	(175)	(175)
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)	(9,824)	(11,112)	(1,288)

- 8.18. 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 third quarter a total of £429k has come to fruition. The identified risks realised in the third quarter relate to:

- Increase in the net cost of recycling services; £42k paper recycling (as highlighted in table 3 above) and £16k increase in the net cost of commingled recycling due to a reduction in the volume of recyclates collected (included within the 'other minor variances total' in table 3) - £58k
- Costs associated with a challenge to a decision of the Council in respect of a planning application (as highlighted in table 3 above) - £27k.

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)
Known financial risks realised in Quarter 3	(85)
Remaining allowance for known financial risks	1,379

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

- 17.1. Antonio Ciampa, Accountancy Manager
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- 17.2. Jodie Penfold, Group Accountant
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- 17.3. Ian Couper, Service Director – Resources
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- 17.4. Rebecca Webb, Human Resources Services Manager
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- 17.5. Isabelle Alajooz, Legal Commercial Team Manager
isabelle.alajooz@north-herts.gov.uk; ext 4346
- 17.6. Reuben Ayavoo, Policy and Communities Manager
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18. BACKGROUND PAPERS

- 18.1. None.

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**CABINET
14 MARCH 2023**

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: COUNCIL DELIVERY PLAN 2022-23 (QUARTER 3 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 3, 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 Business Recovery Grants, EV Charging for Council Vehicles and the Help Residents make payments at convenient Location milestones for this year.
- 2.3. That Cabinet notes the reduction in the Local Plan risk score from a 9, to a risk score of 6 following the end of the Judicial review period.

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 3 update was provided to Risk Management Group (RMG) in February. 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 can. RMG were asked to comment on the content and format of the CDP Q3 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 23 January 2023.

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 3 update, it generally reflects the latest position at the time that the report was written (mid-February).
- 8.2 Cabinet are asked to approve the following:
 - The proposed change to current milestone dates for Town Centre Recovery, , Cycling Networks, Town Centre Strategies, Empty Homes Strategy and Museum Storage 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 Cabinet are asked to note the following:

- The Completion of the Business Recovery: Grants, the EV Charging for Council Vehicles and the Help Residents make payment at convenient location milestones for this year.

8.4 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 into 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. 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 Q3 monitoring report

17. CONTACT OFFICERS

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17.3 Jo Keshishian, HR Operations Manager
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17.5 Isabelle Alajooz, Legal Commercial Team Manager and Deputy Monitoring Officer,
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18. BACKGROUND PAPERS

None

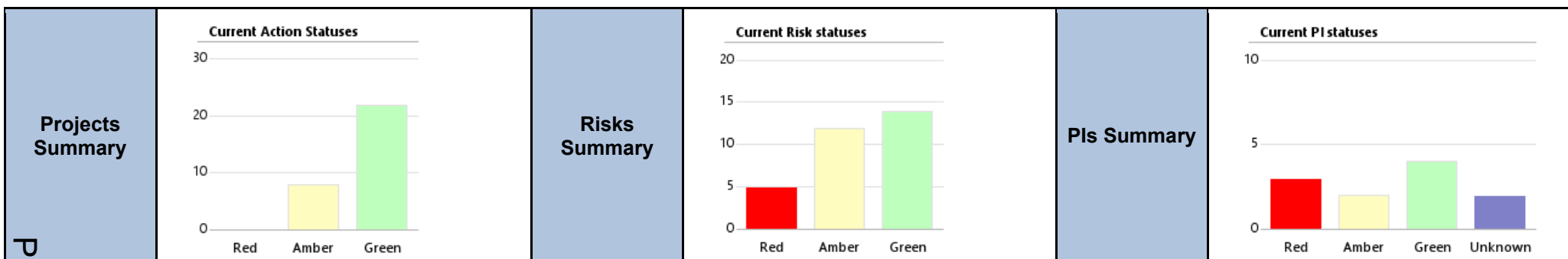
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Council Delivery Plan – Status Key

Status	Description									
Projects										
    	<p>The project (and all recorded milestones) has been completed.</p> <p>All ongoing milestones have not reached their due dates (or do not have due dates).</p> <p>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.</p> <p>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.</p> <p>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.</p>									
Risks										
  	<p>Assessed as a low risk.</p> <p>Assessed as a medium risk.</p> <p>Assessed as a high risk.</p>									
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4	7	9								
2	5	8								
1	3	6								
PIs										
       	<p>Data value has met or exceeded the target figure.</p> <p>Data value has not achieved the target figure, but it is within the agreed tolerance range.</p> <p>Data value has not achieved the target figure and it is outside the agreed tolerance range.</p> <p>Pentana cannot calculate a status, as officers have not entered a target figure for the period on to the system.</p> <p>Data value has improved compared with the same time last year.</p> <p>Data value has deteriorated compared with the same time last year.</p> <p>Data value has not changed compared with the same time last year.</p> <p>Pentana cannot calculate a direction of travel, as previous data is not available for comparison.</p>									

Council Delivery Plan 2022/23

Generated on: 14 February 2023



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	Museum/HTH Recovery	Progress	66%	Due Date	31-Mar-2023
Project Summary	To rebuild museum visitor numbers, Town Hall usage and income.				
Latest Update	19-Jan-2023 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 and festive period. Income levels have recovered lost ground on targets through this period and a strong recovery from the pandemic continues to be evident. The cafe 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	The initial milestone due date relates to the completion of activities in the first quarter of 2022/23 to provide impetus to the visitor numbers recovery process. This has happened, although the continuation of activities to rebuild visitor numbers will remain ongoing throughout the year and beyond.		
To rebuild interest in hiring Hitchin Town Hall back to pre- pandemic levels.	01-Aug-2022	Yes	The initial milestone due date relates to the completion of activities in the first part of 2022/23 to provide impetus to the rebuilding of hiring interest. The continuation of activities to rebuild interest will remain ongoing after this date and throughout the rest of the year.		
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			21,591	28,125
					Hitchin Town Hall booking enquiries				

	Tourism Strategy	Progress	<input type="text" value="0%"/>	Due Date	31-Mar-2023				
Project Summary	To develop a draft strategy by March 2023.								
Latest Update	03-Feb-2023 Project has slipped due to resources available within the Enterprise team. Development of a Tourism 'work stream' will now be progressed under an overarching Enterprise Strategy, incorporating Commercial, Economic Development and Tourism. This will be completed in 2023, with details of milestones/timings included as a new project in the 2023/24 Council Delivery Plan.								
Milestone		Due Date	Complete	Note					
1	Appoint consultants.	31-Jan-2023	No	Milestones to be reviewed/updated to reflect the new approach i.e., development and approval of an Enterprise Strategy in 2023/24, incorporating Commercial, Economic Development and Tourism.					
1	Review and approve draft strategy.	31-Mar-2023	No	As above.					
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	<input type="text" value="100%"/>	Due Date	31-Mar-2023				
Project Summary	Promotion of business grants and payment. Completion of required Government reconciliations.								
Latest Update	11-Jan-2023 NHC has completed all returns requested by the Department for Business, Energy & Industrial Strategy relating to the reconciliation processes. Therefore, all NHC actions completed, although BEIS will be in contact should they require anything further from us as they assess the evidence provided.								
Milestone	Due Date	Complete	Note						
Continued promotion of available business support grants and business rate reliefs.	30-Apr-2022	Yes	Grants ceased 31 March 2022. All processed and paid within stipulated timeframes.						
Complete all Government returns for reconciliation processes.	31-Mar-2023	Yes	Completed.						
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					



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	Town Centre Recovery	Progress	<input type="text" value="0%"/>	Due Date	31-Jul-2023				
Project Summary	Completion of economic recovery strategies for four towns. Development of permit scheme for experimental Traffic Regulation Orders.								
Latest Update	13-Feb-2023 Key stakeholders are reviewing the draft recovery plans. No formal responses received so far. Now expect plans to be finalised by the end of March 2023. Work with Hitchin BID to finalise the draft permit scheme agreement is on track and still expected to happen by March 2023. HCC are continuing discussions regarding the Experimental Traffic Regulation Orders for Hitchin and Royston, and both are expected to be made permanent by the end of the trial periods (July 2023). Project Boards continue to monitor and review both schemes.								
Milestone	Due Date	Complete	Note						
Completion of Welcome Back Fund town centre recovery plans for the four towns.	31-Jan-2023	No	Proposal to change due date to 31 March 2023. Now expect plans to be finalised by the end of March 2023 following engagement with key stakeholders.						
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. On track.						
Liaise with HCC and other key stakeholders with regard the experimental traffic orders for town centres.	31-Mar-2023	No	Proposal to change due date to 31 July 2023 to align with the trial period end date. 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	<input type="text" value="66%"/>	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	10-Jan-2023 HCC approved our intervention plan on 14 December 2022. The three projects, to be delivered by partner organisations, will commence by 31 March 2023 to meet funding requirements. Delivery will then continue throughout 2023/24. The first project, Royston Men's Club, is scheduled to start at the beginning of February 2023. Planning is underway for the other two projects. The risk level is now assessed as low due to the progress made. This also reflects that previously referenced risks relating to our inability to obtain funding for Environmental Health led projects had materialised and approval to remove related milestones from the Council Delivery Plan action was received via the Q2 monitoring report.									
Milestone		Due Date	Complete	Note						
Secure Tranche 1 funding (Health and Wellbeing led projects).		31-May-2022	Yes	Completed.						
Develop an action plan for Tranche 1 (based on Public Health Strategy, Health Inequalities Framework and Joint Strategic Needs Assessment).		31-Dec-2022	Yes	Health inequalities identified and agreed. Developed associated intervention plan. HCC approved plan on 14 December 2022.						
Deliver Tranche 1 projects (as planned for 2022/23).		31-Mar-2023	No	Three projects included in the intervention plan. All three to commence by 31 March 2023 to meet funding requirements. Delivery will then continue throughout 2023/24.						
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	3	3					

	Economic Development Strategy	Progress	<input type="text" value="33%"/>	Due Date	31-Mar-2023
Project Summary	Develop Economic Development Strategy based on resources available.				
Latest Update	03-Feb-2023 Project has slipped due to resources available within the Enterprise team. Development of an Economic Development 'work stream' will now be progressed under an overarching Enterprise Strategy, incorporating Commercial, Economic Development and Tourism. This will be completed in 2023, with details of milestones/timings included as a new project in the 2023/24 Council Delivery Plan.				
Milestone		Due Date	Complete	Note	
Complete ongoing recovery work funded by High Street Recovery Fund.		01-Apr-2022	Yes	Completed.	
Develop budget bid to deliver proposed Economic Development Strategy.		31-Mar-2023	No	Milestones to be reviewed/updated to reflect the new approach i.e., development and approval of an Enterprise Strategy in 2023/24, incorporating Commercial, Economic Development and Tourism. Development of budgets will run alongside development and 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-Mar-2023	No	As above.	

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	13-Feb-2023 Framework agreement mini competition undertaken. We are in the final stages of awarding the contract to our preferred private sector partner - just waiting on Legal to prepare the contract, which will then be passed to the supplier for signing. This will be completed slightly later than scheduled (31 January 2023) due to the need for several post clarification queries to be addressed and agreed between both parties. Assuming the contract is signed by 17 February, the supplier is still on track to establish detailed costings and submit the application for the OZEV grant by the end of February, as preparatory work has already commenced. Risk level remains medium, in view of uncertainty regarding our ability to 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 procure proofing.		31-Jan-2023	No	Contract now expected to be awarded/signed by 17 February 2023. Slight delay, as several post clarification queries needed to be addressed and agreed between both parties					
Establish detailed costings for grant application.		28-Feb-2023	No	When we have secured a private sector partner, the establishment of detailed costings will be finalised.					
Submit grant application to OZEV for 60% (originally 75%) of cost, with private partner providing the remaining 40% (originally 25%).		28-Feb-2023	No	Still expect to submit the grant application by the end of February 2023, although depending on the timing of the contract award/signing, this may be subject to a slight delay.					
Any remaining milestones will be dependent on grant funding awarded.		31-Mar-2023	No	No further milestones to be considered at this time, future is dependant at this time on grant funding being awarded.					
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	<input type="text" value="33%"/>	Due Date	30-Nov-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	25-Jan-2023 There were over 1,000 responses to the HCC consultation on the draft LCWIP. These are now being reviewed and we are working with HCC regarding the further work required. The LCWIP will be presented to Cabinet for endorsement prior to being adopted by HCC's Highways Transport Panel/Cabinet. Due to the further work required, adoption is now expected by the end of October 2023. LCWIP to then inform work on the NHC Cycle Strategy, which should commence in late 2023. The risk level remains low, as in the meantime, the draft LCWIP can still be used to seek contributions (S106/external funding) to planning applications.				



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	HCC is running the consultation on a LCWIP for North Herts from 26 September to 14 November 2022. Due date aligned with consultation start date.
Following adoption of LCWIP by HCC Highways Transport Panel/Cabinet will then inform work on NHC cycle strategy.	31-May-2023	No	Proposal to change due date to 31 October 2023. Due to the further work required by HCC following the consultation exercise and volume of responses, LCWIP now expected to be adopted by the end of October 2023.
Other milestones dependent on LCWIP.	30-Jun-2023	No	Proposal to change due date to 30 November 2023. Further milestones to be considered at this time following adoption of the LCWIP. Work on the NHC Cycle Strategy should now commence in November 2023.


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/Cabinet. 3. Limits to what can be achieved in this financial year.		3	3	1					

	EV Charging for Council Vehicles	Progress	<input type="text" value="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.				



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			16,195	26,250


	Royston Leisure Centre Solar Thermal	Progress	<input type="text" value="25%"/>	Due Date	31-Mar-2023					
Project Summary	Installation of Solar Thermal technology at Royston Leisure Centre.									
Latest Update	The procurement processes undertaken have not been successful in securing a supplier for the project. The team are currently looking at the options available. It is possible that the project will be absorbed into the Solar PV project due to take place next year, which will make it more attractive to bidders as it will be a larger value procurement.									
Milestone		Due Date	Complete	Note						
Design specification.		31-May-2022	Yes							
Complete procurement and appoint contractor.		16-Dec-2022	No							
Meet with contractor to programme schedule of works.		06-Jan-2023	No							
Installation of Solar Thermal.		31-Mar-2023	No							
Page 122	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					


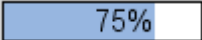
	Town Centre Strategies	Progress	<input type="text" value="33%"/>	Due Date	31-Aug-2023					
Project Summary	Complete High Level Town Centre Recovery Action Plans for each town. Develop project plan for detailed Plans based on high level report.									
Latest Update	26-Jan-2023 Due to delays in finalising the WBF town centre recovery plans and appointing to the new Project Officer role, we now expect to present the Cabinet report setting out our plans to progress Town Centre Strategies in July 2023. Initial work on the Letchworth Town Centre Strategy will commence prior to the Cabinet report, with detailed work commencing following Cabinet approval. The risk level remains medium, as there are still resource issues regarding producing (and subsequently delivering) identified strategies.									
Milestone		Due Date	Complete	Note						
Consultants appointed to prepare High Level Town Centre Recovery Action Plans for each town centre.		30-Apr-2022	Yes	Consultants appointed and draft plans have now been received.						
Once completed a scoping report will be prepared to agree overall project and governance arrangements for progression of Town Centre Strategies.		31-Mar-2023	No	Proposal to change the due date to 31 July 2023. We now anticipate presenting a report to Cabinet in July 2023.						
Commencement of work on Letchworth Town Centre Strategy, details to be confirmed following outcome of other milestones.		30-Apr-2023	No	Proposal to change the due date to 31 August 2023. Based on now presenting a report to Cabinet in July 2023, detailed work on the Letchworth Town Centre Strategy should commence in August 2023 although work has commenced with the owners of Garden Square.						
Page 122	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					
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	Finalise Pay on Exit Parking Review	Progress	<input type="text" value="50%"/>	Due Date	31-Mar-2023				
Project Summary	Complete feasibility study and report to Cabinet on options.								
Latest Update	13-Feb-2023 "Meet the supplier" event completed, which highlighted alternative options for allowing people to pay for parking at the end of their stay. Further report presented to PLB in February 2023 to consider advantages/cost of each approach and agree option to be taken forward. Report to Cabinet no longer required and now awaiting decision on availability of associated Capital budget (Council 23 February 2023). Further milestones to then be developed to reflect key stages in the project plan for 2023/24 and beyond.								
Milestone	Due Date	Complete	Note						
Consultants appointed to produce Feasibility Study to be reported to Exec Member & Deputy.	31-Jul-2022	Yes	Consultants appointed and draft report produced. This has been discussed with the Executive Member and will be finalised shortly.						
Report to PLB to get a steer on proceeding to a pay on exit trial.	01-Nov-2022	Yes	PLB agreed that officers should proceed with the necessary work in progressing a trial in two of the Council's car parks and report back within this financial year.						
Recommendations to be reported to Cabinet to agree Next Steps.	14-Mar-2023	No	No longer a need for initial Cabinet report. Report presented to PLB in February 2023. Propose to delete milestone accordingly.						
The Cabinet report determines further milestones.	31-Mar-2023	No	Report to Cabinet no longer required and now awaiting decision on availability of associated Capital budget (Council 23 February 2023). Further milestones to then be developed to reflect key stages in the project plan for 2023/24 and beyond.						
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	<input type="text" value="0%"/>	Due Date	30-Nov-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	13-Jan-2023 Negotiations and discussions with interested party on draft lease heads of terms are continuing and we are currently awaiting their response. We continue to pursue the acquisition of rights over HCC land from the public highway, although HCC are yet to engage with us on this matter. Depending on the outcome of current negotiations with the interested party and the willingness of HCC to work with us to acquire access rights, the direction of the project and current milestones may be subject to change. Risk level still assessed as medium, as if we are unable to acquire the access rights, the current project is unlikely to proceed.				

Milestone	Due Date	Complete	Note						
Exploring options following unsolicited solid interest in site.	31-Mar-2023	No	Discussed options for formalising use of NHC's land with interested party. They sent draft lease heads of terms. Negotiations and discussions ongoing and we are currently awaiting a further response from them.						
Ascertain, acquire, and address rights and restrictions on the site.	31-May-2023	No	Original due date 30 November 2022. No access rights to serve NHC's site are documented. So far, HCC have been unwilling to engage with us regarding acquiring rights. 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.						
Market test site for leasing and sale on non-committal basis. Undertake options appraisal. Seek Cabinet decision.	30-Nov-2023	No	Original due date 31 May 2023. This milestone may be resurrected if current negotiations with interested party are aborted. Actions/timings to be re-assessed at this time.						
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. Lack of engagement from HCC restricts our ability to acquire access rights.		5	5	2					


124 	Customer Portal	Progress		Due Date	31-Mar-2023
Project Summary	Research options for My Account, transformation programme to consider options for development, implement recommended options.				
Latest Update	11-Jan-2023 Consideration and investigation of improvements we can make to the customer experience and self-service options is now an ongoing business-as-usual activity. These are not limited to MyAccount, which already enables a high number of residents to manage their Council Tax online, with alternative options available and already developed with individual service areas. Implementation of Waste (another high contact service) into MyAccount continues to be something we are looking to pursue, although progress is dependent on decisions relating to the new waste contract and any further work is now likely to take place during 2023/24. In light of the research undertaken as part of this project and available alternatives, the impact of not achieving our aim of increasing self-service options specifically via MyAccount, is now assessed as low.				
Milestone	Due Date	Complete	Note		
Researching options for development of MyAccount.	31-Mar-2022	Yes	Milestone complete. We discussed options with relevant service areas, including Benefits, Housing and Licensing. We are potentially moving forward with a project to implement Waste into MyAccount, which would be beneficial due to the size of the service area.		
Transformation programme considers options for development.	31-May-2022	Yes	Milestone complete. The development of MyAccount is not reliant on the wider transformation programme, which is currently prioritising process automation.		
Pre-scoping meeting with Waste and MyAccount provider.	15-Sep-2022	Yes	Meeting held.		
Further development work for Waste implementation.	31-Mar-2023	No	Progress dependent on decisions relating to the new waste contract.		

Risks	Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
1. Additional modules are not forthcoming.		5	2	2					


	Help Residents Make Payments at Convenient Locations	Progress	<div style="border: 1px solid black; background-color: #ADD8E6; padding: 2px; display: inline-block;">100%</div>	Due Date	30-Nov-2022
Project Summary	Technology in place to allow payments to be made in different ways, including by cash at local shops.				
Latest Update	21-Dec-2022 Initial communication to residents, including via social media, completed by the end of November 2022. Communication to subsequently continue as a business-as-usual activity, including at Annual Billing. Collection rates for sales ledger and electronic payment remain slightly under target but overall collection rates remain high. The risk score has been reduced to low as residents are using the service.				


Milestone	Due Date	Complete	Note
Complete procurement and appoint supplier.	31-Mar-2022	Yes	Contract awarded and first project meeting scheduled for 6 April 2022.
Obtain IIN number and update documentation.	31-Aug-2022	Yes	Milestone complete.
Send test file and payment.	01-Sep-2022	Yes	Milestone complete. All sample documents received and approved by Allpay.
Go live - implementation completed.	19-Sep-2022	Yes	Milestone complete.
Communication to residents on new ways to pay and Allpay app.	30-Nov-2022	Yes	Initial communication completed. To 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	1	3	Percentage of NNDR collected in year			90.19%	86.5%
					Percentage of council tax collected in year			91.91%	91.5%
					Percentage of raised sales invoices due for payment that have been paid			96.73%	97%
					% of payments received that were paid by electronic methods			99.07%	99.3%


	Supplier Self-Service	Progress	<input type="text" value="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	18-Jan-2023 Unlikely project will progress in 2022/23, due to a high demand on resources linked to the upgrade of Integra. Expect to move forward in 2023/24, although project is now likely to be incorporated into the procurement of a joint cash management and financial system. Risk impact re-assessed as low, as although there will be a delay in achieving associated benefits, the continuation of current supplier arrangements means there will be no significant adverse effects.				



Milestone	Due Date	Complete	Note
Explore available options in the market and determine cost/viability.	31-Dec-2022	No	Milestones to be suspended. Will now progress in 2023/24, although specific tasks/timings still to be confirmed.
Procure system and set up project team.	28-Feb-2023	No	See note for first milestone.
Portal set up and testing.	30-Apr-2023	No	See note for first milestone.
Go live and communication.	31-May-2023	No	See note for first milestone.





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	2	1					




	Empty Homes Strategy	Progress	<input type="text" value="0%"/>	Due Date	01-Apr-2023
Project Summary	Develop and implement a strategy to reduce numbers of Empty Homes.				
Latest Update	17-Jan-2023 Draft Strategy produced, but this still needs to be approved along with the resources required for delivery. Currently, still anticipating adoption by Cabinet by the end of March 2023. Implementation of the Strategy will then commence in 2023/24. Risk level to be re-assessed following a decision on adoption, to reflect the ongoing risks associated with delivery and that risks relating to Strategy development will no longer be relevant.				


Milestone	Due Date	Complete	Note
Development of Strategy and resources.	31-Dec-2022	No	Propose to change date to 28 February 2023. Original date was 31 December 2022. Draft Strategy produced, but still needs to be approved along with resources required for delivery. Resource is subject to budget decision at Full Council
Adoption of Strategy.	31-Mar-2023	No	Anticipate adoption by Cabinet by the end of July 2023 as this is dependant upon the Full Council decision with regard the budget
Implementation of Strategy.	01-Aug-2023	No	Milestone date simply reflects that implementation of the Strategy will follow its adoption by Cabinet. The scope of the Strategy, and any further milestones relating to the completion of



					specific activities, will be dependent on the funding/resources available.				
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	1					



	New Ways of Delivering Housing on Council Land	Progress	<input type="text" value="20%"/>	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	01-Feb-2023 Advice obtained from NHC's Procurement Officer regarding the proposal to commission an external consultant to research the concept of joint ventures (JVs). Estates met with an external Chartered Surveyor to appraise them on each of the four Council sites. Chartered Surveyor to now approach a cross-section of the development market to scope options for JVs and to identify associated risks. This market research is due to be completed by the end of March 2023, with a report detailing the findings, providing recommendations for the sites and detailing other feasible options due to be provided by the end of May 2023. The current milestones/timings recorded for beyond March 2023 are no longer applicable at this stage and will be updated for the 2023/24 Council Delivery Plan. Risk level still assessed as medium, due to the uncertainty regarding options/approach.								
Milestone	Due Date	Complete	Note						
Determine a way forward/partnership agreement with current provider.	31-Mar-2022	Yes	Establishing a way forward with the current provider was unsuccessful.						
Start to consider other options for delivery.	31-Mar-2023	No	Following advice from Procurement, now working with external Chartered Surveyor to undertake a market research exercise with a cross-section of the development market regarding options for joint ventures.						
If unsuccessful, prepare a tender exercise based on the four plots of land already determined.	01-Jul-2023	No	Further milestones/timings dependent on market research findings and a formal decision on the preferred way forward. Current milestones/timings no longer applicable at this stage. To be updated via the 2023/24 Council Delivery Plan.						
Select supplier and move forward into the planning and delivery phase. Obtain relevant approval.	01-Sep-2023	No	As above.						
Move to construction phase.	01-Dec-2023	No	As above.						
Risks	Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
1. Ensuring Contract Procurement Rules are adhered to. 2. Being able to develop a viable project. 3. Housing development subject to planning. 4. Working with the right supplier(s) for the Council. 5. Demand to provide more homes across the District.		5	5	5					

	Work with Stakeholders to Increase Accommodation Options for Single Homeless People	Progress	<input type="text" value="50%"/>	Due Date	31-Mar-2023				
Project Summary	Working with Haven First to secure development of purpose-built accommodation in Letchworth. Work with partners to deliver general and specialist accommodation.								
Latest Update	03-Feb-2023 On 13 December 2022, Cabinet approved the 2022/23 allocation of Homelessness Prevention Grant funding and the allocation of Rough Sleeping Initiative funding for the financial years 2022/23 to 2024/25. On 31 January 2023, Cabinet agreed a package of measures to help prevent/relieve homelessness. Whole single homeless pathway (from rough sleeping to independent resettlement) being reviewed on back of HCC prospectus and DLUHC funding invite under its Single Homelessness Accommodation programme and confirmation of two years ringfenced Homelessness Prevention Grant. As previously reported, this project aims to help mitigate the risk of homelessness 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 disadvantages, the cost-of-living crisis, limited access to the private rented sector, availability of affordable housing and demands of refugee schemes.								
Milestone	Due Date	Complete	Note						
Work with Haven First to secure development of hostel accommodation in Letchworth.	31-Oct-2022	Yes	Haven First are merging with One YMCA and early indications are they will still look to proceed with the development of a new hostel for single homeless people in Letchworth that secured planning permission in February 2021. This is for Haven First/One YMCA to progress and to confirm project details/timings.						
Application and utilisation of grant funding to secure specialist provision.	13-Dec-2022	Yes	On 13 December 2022, Cabinet approved the 2022/23 allocation of Homelessness Prevention Grant funding and the allocation of Rough Sleeping Initiative funding for the financial years 2022/23 to 2024/25.						
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. Whilst there is a specific milestone date this is an on-going activity.						
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. Whilst there is a specific milestone date this is an on-going activity.						
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			104	N/A


	Local Plan Implementation	Progress	<input type="text" value="100%"/>	Due Date	31-Mar-2023				
Project Summary	Adoption of Local Plan by Council.								
Latest Update	20-Jan-2023 Window for Judicial Review challenge expired December 2022. No challenge received by NHC or Planning Inspectorate – confirmed January 2023. An ‘out of time’ challenge could exceptionally be allowed at Courts’ discretion, but time periods were widely advertised, and no challenge being received after 10 weeks suggests this is highly unlikely. In view of this, and the fact Local Plan adoption has removed the majority of described risks, the likelihood risk score has been reduced to low.								
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 (risk removed). 2. Increased uncertainty of planning policy base (risk removed). 3. Delay or failure to adoption/implementation of the new Local Plan (risk removed). 4. Legal challenge to Local Plan (minor residual risk remains). 5. Intervention by the Secretary of State i.e., issuing a holding direction (risk removed). 6. 'Hostile' applications in areas not designated within the Local Plan.		9	6	6					
	Master Planning	Progress	<input type="text" value="0%"/>	Due Date	31-Mar-2023				
Project Summary	Secure funding for Master Plans. Develop Master Plans and seek adoption. Focus is on 6 Strategic sites (approximately 8,500 homes in total) that account for the majority of homes, although there are 12 other sites (approximately 2,500 additional homes) presently captured by masterplan policy requirements.								
Latest Update	20-Jan-2023 Although not reflected in the action's progress bar, development of masterplans for six Strategic sites is progressing. Liaison with developers and identification of Council's expectations with regard master planning has been completed for five of the sites. Four also have Planning Performance Agreements, and one will not require a PPA as masterplan being produced retrospectively as part of planning application process. Risks relating to modifications to, and non-adoption of, the Local Plan have been removed. However, there are now new risks linked to delivery of Strategic sites - inability to recruit sufficiently experienced officers and adverse appeal findings on other/non-Local Plan sites should delivery be delayed or stalled. Therefore, risk level still assessed as medium.								
Milestone	Due Date	Complete	Note						
1. Liaise with developers and identify the Council's expectations with regard master planning.	31-Mar-2023	No	Timescales will be different for each strategic site identified in the Local Plan. Work is ongoing and regularly reported on specific sites progress to Project Board.						
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	Timescales will be different for each strategic site identified in the Local Plan. PPA's have been secured for a number of strategic sites and Project board is kept up to date.						
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	Timescales will be different for each strategic site identified in the Local Plan. Specific masterplans have are continue to be presented to Project Board						






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 (risk removed). 3. Non-adoption of the Local Plan (risk removed). 4. Reduction in pre-application income and delay to income from planning applications. 5. Failure to recruit sufficiently experienced officers. 6. Risk of adverse appeal findings on other/non-Local Plan sites if delivery is delayed or stalled.		5	5	3					

	Financial Sustainability/Balancing our Budget	Progress	33%	Due Date	30-Sep-2023				
Project Summary	To deliver a medium- term balanced budget for the Council that reflects Council priorities.								
Latest Update	03-Feb-2023 Budget approved by Cabinet (in January) for recommendation on to Council. The Local Government settlement was better than forecast but no certainty over medium-term funding. Inflation and other factors are leading to late budget changes and increase the level of uncertainty, so the risk level remains high.								
Milestone	Due Date	Complete	Note						
Medium Term Financial Strategy (aligned to Council Plan) approved by Council.	22-Sep-2022	Yes	Completed.						
Budget for 2023/24 approved by Council.	23-Feb-2023	No							
Respond to expected consultation on funding reform.	30-Sep-2023	No	Not now expected to have consultation until summer 2023 (original due date was 31 July 2022).						
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	<div style="border: 1px solid black; background-color: #ADD8E6; width: 80px; text-align: center; padding: 2px;">75%</div>	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	25-Jan-2023 Project progressing well. Reports presented to Cabinet (December 2022) and Full Council (January 2023). Full Council approved adoption of a new Council Tax Reduction Scheme for 2023/24, including a discretionary scheme to provide additional transitional support. Where appropriate, we will be communicating with claimants adversely effected by the changes. Work is now underway to make the required changes prior to annual billing (February 2023) and commencement of the new scheme on 1 April 2023. Continues to be assessed as low risk.									
Milestone		Due Date	Complete	Note						
Engage consultant to support the project.		31-Mar-2022	Yes	Completed.						
Options appraisals conducted and consultation carried out with public and major preceptors.		30-Oct-2022	Yes	Options appraisals completed 23 June 2022. Consultation period ended 30 October 2022.						
Reports to Committees - September, December, and January.		31-Jan-2023	Yes	Update reported to Cabinet on 13 September 2022. Further update presented to PLB on 1 November 2022. Details of proposed new scheme reported to Cabinet (13 December 2022) and Full Council (19 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					



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	Response to Government Resources and Waste Strategy	Progress	<div style="border: 1px solid black; background-color: #ADD8E6; width: 80px; text-align: center; padding: 2px;">83%</div>	Due Date	31-Mar-2023
Project Summary	For this year, to engage with Councillors on a service design for the forthcoming new contract process. Actions in relation to new contract and finalising service design will follow in 2023/24 onwards.				
Latest Update	31-Jan-2023 Project Board has identified some additional areas of work for the project team regarding consideration of the real living wage. DEFRA have also indicated some requirements (although outcomes still not published) which fall outside of our current contract approach which are being considered in the drafting of documents. A new project identified for the 2023/24 Council Delivery Plan will supersede this project once the SQ has been published, which is now due by the end of February 2023. Risk level still assessed as high, relating to both procurement of the new contract and development of fit for purpose depots.				
Milestone		Due Date	Complete	Note	
Initial member consultation and service design.		25-Aug-2022	Yes	Member consultation completed. Consisted of joint cross-party workshops over two months. Additional member briefings also undertaken to outline the proposed service design.	
Report presented to O&S.		28-Sep-2022	Yes	Milestone 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	Report presented to the Extraordinary Cabinet meeting held on 25 October 2022.						
Project Board established.	30-Nov-2022	Yes	Completed.						
Publication of Selection Questionnaire (SQ).	05-Dec-2022	No	Propose to change due date to 28 February 2023, as documents are still being drafted.						
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 implementation. 10. Failure by Government to honour 'New Burdens' doctrine.		9	9	5	Kg residual waste per household			255kg	264kg
					Percentage of household waste sent for reuse, recycling and composting			56.54%	57.5%


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	Green Space Management Strategy	Progress	<input type="text" value="50%"/>	Due Date	31-Mar-2023				
Project Summary	For this year, installation of interactive play, wilding projects and other projects (as determined).								
Latest Update	25-Nov-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 that 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	Four projects completed/opened.						
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	<input type="text" value="55%"/>	Due Date	31-Mar-2024				
Project Summary	Leasing the property as a Community Hub.								
Latest Update	13-Jan-2023 Charnwood Community Management Association updated survey received. Options report from local marketing agent also recently received. Meeting with relevant Officers and Executive Members held on 9 January 2023, to discuss survey findings. Officers now appraising identified remedial works and costings, and the option report findings. Council to consider/approve required project budget in February 2023. A light marketing exercise will then be undertaken in early 2023/24, prior to seeking a Cabinet decision on a preferred approach. As key decisions have not yet been fully appraised/taken, the risk level is still assessed as medium due to the remaining uncertainty, although this is likely to decrease as the project progresses, depending on the tenant selected.								
Milestone	Due Date	Complete	Note						
Exploration of options.	31-Mar-2022	Yes	Milestone specified in the approved Council Delivery Plan entered in error. Therefore, milestone completed and retained for audit purposes.						
Market site (informally) for leasing as community hub, on non-committal basis.	29-Jul-2022	Yes	Meeting with interested parties held on 29 July 2022 to galvanise interest.						
Asbestos removed and air testing completed.	12-Oct-2022	Yes	Completed.						
New milestone - Updated survey and costings for refurbishment works received.	08-Dec-2022	Yes	Completed.						
New milestone - Options report received.	11-Jan-2023	Yes	Completed.						
Appraise options report and the remedial works/costings highlighted in the updated survey.	23-Feb-2023	No							
New milestone - Council decision on project budget.	23-Feb-2023	No							
New milestone - Undertake light marketing exercise.	30-Jun-2023	No							
Negotiate terms with selected tenant. Seek Cabinet decision. Complete lease.	31-Mar-2024	No	Milestone completion in 2023/24. Actual due date still to be confirmed. Possibly split into further milestones for the 2023/24 CDP.						
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	<input type="text" value="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	23-Jan-2023 Following the provision of expert procurement advice, which made the preferred procurement pathway clearer, we are now pursuing the appointment of a contractor via the SCAPE framework, who will conduct an initial viability report on the site. Alongside this, a separate Project Manager/Quantity Surveyor will be appointed to work alongside officers to deliver the project and protect the Council's interests from a technical perspective. We aim to have contracted with both of these entities early in 2023. Following the appointment of the principal contractor and Project Manager/Quantity Surveyor, and receipt of the viability report, we will agree the final design based on the specification. The viability report will evaluate the site we intend to build on and offer an indicative cost for the works. Planning permission can then be submitted accordingly. It is still anticipated that clearance of the existing site will take place in Q2 2023, prior to construction works commencing in autumn 2023 due to the length of time planning permission is anticipated to take. Once this is secured, construction is estimated to last for 12 months with transfer of the collection, commissioning and full operation of the new store targeted to occur in early 2025. Milestone due dates need to be revised to reflect the current project plan and timescales.								
Milestone	Due Date	Complete	Note						
Finalise Business Case and specification, and seek approvals.	01-Sep-2022	No	Propose to change due date to 31 March 2023 to reflect current project plan and timescales.						
Agree the design and submit planning application along with seeking other required permissions.	31-Jan-2023	No	Propose to change due date to 30 June 2023 to reflect current project plan and timescales.						
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 still currently anticipated that the clearance of the existing site will take place by the end of June 2023, prior to construction works commencing.						
Move to construction phase will commence in 2023/24.	31-Oct-2023	No	To follow completion of the previous milestones. Current estimates are that construction works will commence in autumn 2023 and last for 12 months, with transfer of the collection, commissioning and full operation of the new store to occur in early 2025.						
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	<input type="text" value="75%"/>	Due Date	31-Mar-2023				
Project Summary	To support and consult on the Boundary Review.								
Latest Update	20-Jan-2023 The Council's response to the second LGBCE consultation on their proposed warding arrangements was considered and approved at the Extraordinary Council meeting on 19 December 2022, subject to amendments. This was subsequently submitted to the LGBCE by the relevant closing date. LGBCE is due to publish its final recommendation on 28 March 2023, and a new milestone has been added to reflect this. Risk level remains low, although until the LGBCE publishes its recommendation, there is still a slight possibility that a further consultation could be required.								
Milestone	Due Date	Complete	Note						
Provision of any additional information to LGBCE on warding patterns.	31-May-2022	Yes							
Consultation on warding patterns by LGBCE with Council, Political Groups and General Public.	18-Oct-2022	Yes	Consultation closed on 10 August 2022. NHC submission submitted on 21 July 2022. LGBCE met on 18 October 2022.						
Consultation on draft recommendations with Council, Political Groups and General Public.	10-Jan-2023	Yes	NHC submitted its response to the LGBCE consultation on warding arrangements by the relevant closing date.						
LGBCE publishes its final recommendation.	28-Mar-2023	No	New milestone.						
Risks	Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
	Failure to meet set deadlines. Failure to agree NHC consultation submission.		3	3	3				
	Shared Prosperity Fund	Progress	<input type="text" value="40%"/>	Due Date	31-Mar-2023				
Project Summary	Deliver projects to support the aims of the Shared Prosperity Fund, as agreed with Government.								
Latest Update	03-Feb-2023 We have received confirmation from Government in relation to our spending plan and there is some more flexibility in terms of when the money has to be spent by (reflecting when approval was received). Work is underway to spend the year 1 allocations and plan for future years.								
Milestone	Due Date	Complete	Note						
Submit Investment Plan.	28-Jul-2022	Yes	Completed.						
Work with Government on approval of Investment Plan.	31-Dec-2022	Yes	Completed.						
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	<input style="width: 80px;" type="text" value="50%"/>	Due Date	31-Mar-2023				
Project Summary	Identifying, consulting on, and delivering long-term regeneration of the shopping centre and surrounding areas.								
Latest Update	01-Feb-2023 Update report presented to Council on 19 January 2023. Further milestones added for 2022/23 to reflect key tasks identified in the project plan.								
Milestone		Due Date	Complete	Note					
Set up project board.		30-Sep-2022	Yes	Completed.					
Produce project plan, including communications plan.		31-Oct-2022	Yes	Project plan in place and in line with NHC's Project Management Framework.					
Report back to Council setting out short, medium and long-term approach with draft project plan.		31-Jan-2023	Yes	Completed.					
Conduct public consultation (Phase 1).		28-Feb-2023	No	Phase 1 survey closes on 5 February 2023. We will then analyse data, with help from Zensity.					
Open in-person Hub in Unit 10, Churchgate.		17-Mar-2023	No	To provide a base for officers to work from and create a presence within the premises. Members of the community and businesses to be encouraged to come in to find out more about the project.					
Sharing results, by releasing top level information to the community via Comms.		17-Mar-2023	No	Focus on key themes identified from the survey. Various communication channels to be used, as defined in the Comms Plan.					
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. The cost of living crisis is leading to Government providing targeted support to individuals/households, some of which requires our support to administer. The shortage of staff and other resources may affect our ability to respond, even if money is available.		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			1,280,360	1,781,751

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**CABINET
14 MARCH 2023**

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: COUNCIL DELIVERY PLAN FOR 23-24

REPORT OF: REPORT OF THE SERVICE DIRECTOR - RESOURCES

EXECUTIVE MEMBER: LEADER OF THE COUNCIL

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

1. EXECUTIVE SUMMARY

This report presents the Council Delivery Plan for 23-24, which includes

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

2. RECOMMENDATIONS

- 2.1. That Cabinet considers and formally approves the Council Delivery Plan to be monitored throughout 2023/2024 by Overview & Scrutiny Committee.

3. REASONS FOR RECOMMENDATIONS

- 3.1. An approved Council Delivery Plan provides the Cabinet with assurance that progress against achievement of the Council Plan objectives, will be monitored throughout 2023/24.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. None Considered.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1. The Council Delivery Plan was compiled in consultation with Executive Members who were consulted on the elements relating to their area of responsibility.
- 5.2. The Plan is reviewed by Overview and Scrutiny Committee and Finance Audit and Risk Committee, who can make recommendations to Cabinet.

6. FORWARD PLAN

- 6.1 This report contains a recommendation on a key Executive decision first notified on the Forward Plan on the 23 January 2023.

7. BACKGROUND

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

8. RELEVANT CONSIDERATIONS

- 8.1 The Council Delivery Plan (Appendix A), has been compiled by the Leadership Team, in consultation with Executive Members and brings together all the elements of Integrated Performance Management (Projects, Risks and Performance indicators) into one plan.
- 8.2 The Projects outlined in the Delivery Plan are detailed in the Council Plan 2022-27, or clearly linked to the Council Plan priorities and themes. The Council will also carry out other projects, that are linked to a statutory duty or support the delivery of Council functions. These other projects have been included if they are significant in terms of impact (e.g., in relation to staff or financial resources), but the focus is on what contributes towards delivering the Council Plan. For longer term projects, milestones will be used to monitor progress achieved during the year, and these will be added prior to the first quarter monitoring report.
- 8.3 The Risks, are those that could impact on the delivery of the Council Plan, or the Projects linked to the Council Plan. They include the level of likelihood and impact, and the mitigations to be put in place to minimise the level or risk
- 8.4 The Performance Indicators will be the means to show us how well we are doing at achieving the priorities within the Council Plan, including measures linked to the projects detailed above.
- 8.5 Appendix B is a high- level summary of projects and includes 19 Projects carried forward from the 22-23 year, 10 new projects for the 23-24 year and the 11 projects to be deleted from the plan, which have either completed, merged into other projects, or have been established as Business as Usual. These are being reported for completeness, to finalise the removal of projects from the reporting process where applicable.
- 8.6 The existing Risk and Performance Indicator entries on Pentana (the Council's Risk and Performance Monitoring software), have been cross referenced to the Council Delivery Plan and matched where appropriate.

- 8.7 Once approved, the Council Delivery Plan will form the basis of quarterly reporting to Overview and Scrutiny to monitor Performance for the 2023-24 year. It is expected that they will make recommendations to Cabinet throughout the year.
- 8.8 Finance Audit and Risk Committee no longer receive regular reports on specific risks but will receive reports in relation to the effective development and operation of risk management. They have been given the opportunity to comment on the Plan at the formulation stage.

9. LEGAL IMPLICATIONS

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

10. FINANCIAL IMPLICATIONS

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

11. RISK IMPLICATIONS

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

12. EQUALITIES IMPLICATIONS

- 12.1 In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2 Performance reporting provides a means to monitor whether the Council is meeting the stated outcomes of the district priorities, its targets or delivering accessible and appropriated services to the Community to meet different people's needs.

13. SOCIAL VALUE IMPLICATIONS

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

14. HUMAN RESOURCE IMPLICATIONS

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

15. ENVIRONMENTAL IMPLICATIONS

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

16. APPENDICES

Appendix A – Council Delivery Plan 23-24
Appendix B – Summary of Projects

17. CONTACT OFFICERS

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20. BACKGROUND PAPERS
None


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	Museum/HTH Recovery	Progress		Due Date					
Project Summary	To rebuild museum visitor numbers, Town Hall usage and income.								
Latest Update	Project carried forward from 22-23 year								
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				28,125


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	Town Centre Recovery	Progress	<input type="text" value="0%"/>	Due Date					
Project Summary	Completion of economic recovery strategies for four towns. Development of permit scheme for experimental Traffic Regulation Orders.								
Latest Update	Project carried forward from 22-23 year								
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		Due Date						
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	Project carried forward from 22-23 year Relates to two areas - Health & Wellbeing and Environmental Health (EH subject to new revenue proposal being put forward)									
	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	3	3					


	Resident/Public EV Charging in our Car Parks	Progress	<input type="text" value="0%"/>	Due Date						
Project Summary	Grant application to Office for Zero Emission Vehicles for funding. Further actions dependent on funding awarded.									
Latest Update	Project carried forward from 22-23 year Subject to Grant Funding being awarded.									
	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		Due Date						
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	Project carried forward from 22-23 year LCWIP now expected to be adopted by October 2023. Work on NHC Cycle Strategy will then follow									
	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/Cabinet. 3. Limits to what can be achieved in this financial year.		3	3	1					


	Royston Leisure Centre Solar Thermal	Progress		Due Date						
Project Summary	Installation of Solar Thermal technology at Royston Leisure Centre.									
Latest Update	Project carried forward from 22-23 year									
	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		Due Date						
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	Project carried forward from 22-23 year Now anticipate presenting a related report to Cabinet in July 2023. Details/timings for individual strategies will then follow.									
	Risks	Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
	Lack of available resource to produce and deliver identified strategies.		5	5	1					


	Finalise Pay on Exit Parking Review	Progress		Due Date						
Project Summary	Complete project plan and undertake procurement process.									
Latest Update	Project carried forward from 22-23 year Milestones for 2023/24 (procurement/phase 1 (trial) implementation) subject to availability of associated Capital budget.									
	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	<input type="text" value="0%"/>	Due Date					
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	Current estimate is that a new lease could be completed and signed by March 2024.								
Risks	Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
<ul style="list-style-type: none"> 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. Lack of engagement from HCC restricts our ability to acquire access rights. 		5	5	2					


	Supplier Self-Service	Progress	<input type="text" value="0%"/>	Due Date					
Project Summary	Technology in place that allows suppliers to update their details, submit invoices and view payments electronically.								
Latest Update	Delayed from 2022/23. To be reviewed to consider whether it is a priority.								
Risks	Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
<ul style="list-style-type: none"> 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	2	1					

	Empty Homes Strategy	Progress	<input type="text" value="0%"/>	Due Date					
Project Summary	Develop and implement a strategy to seek to return Empty Homes.								
Latest Update	Project carried forward from 22-23 year Anticipate adoption by Cabinet in March 2023. Scope, and further milestones, dependent on funding/resources available								
Risks	Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
<ul style="list-style-type: none"> 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	1					


Page 150	New Ways of Delivering Housing on Council Land	Progress		Due Date					
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	Project carried forward from 22-23 year Following the research into and assessment of various options, expect a decision on a preferred approach by the end of 2023.								
Risks	Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
<ul style="list-style-type: none"> 1. Ensuring Contract Procurement Rules are adhered to. 2. Being able to develop a viable project. 3. Housing development subject to planning. 4. Working with the right supplier(s) for the Council. 5. Demand to provide more homes across the District. 		5	5	5					


	Work with Stakeholders to Increase Accommodation Options for Single Homeless People	Progress		Due Date					
Project Summary	Working with One YMCA to secure development of purpose-built accommodation in Letchworth. Work with partners to deliver general and specialist accommodation.								
Latest Update	Project carried forward from 22-23 year								
Risks	Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
<ul style="list-style-type: none"> 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				N/A


page 151	Master Planning	Progress	<input type="text" value="0%"/>	Due Date					
Project Summary	Secure funding for Master Plans. Develop Master Plans and seek adoption. Focus is on 6 Strategic sites (approximately 8,500 homes in total) that account for the majority of homes, although there are 12 other sites (approximately 2,500 additional homes) presently captured by masterplan policy requirements.								
Latest Update	. Project carried forward from 22-23 year								
Risks	Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
<ul style="list-style-type: none"> 1. Failure to secure funding to resource the process. 2. Inspector's report modifies master planning policy (risk removed). 3. Non-adoption of the Local Plan (risk removed). 4. Reduction in pre-application income and delay to income from planning applications. 5. Failure to recruit sufficiently experienced officers. 6. Risk of adverse appeal findings on other/non-Local Plan sites if delivery is delayed or stalled. 		5	5	3					


	Financial Sustainability/Balancing our Budget	Progress		Due Date					
Project Summary	To deliver a medium- term balanced budget for the Council that reflects Council priorities.								
Latest Update	. Project carried forward from 22-23 year								
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					


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	Charnwood House	Progress		Due Date					
Project Summary	Leasing the property as a Community Hub.								
Latest Update	Project carried forward from 22-23 year Although still in the initial stages of the project, expect to have a received a decision on a preferred approach, negotiated terms and completed the required lease by mid-2024.								
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	<input type="text" value="0%"/>	Due Date					
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	Project carried forward from 22-23 year New facility expected to be completed and operational by early 2025.								
Risks	Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
<ul style="list-style-type: none"> 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					


	Shared Prosperity Fund	Progress		Due Date					
Project Summary	Deliver projects to support the aims of the Shared Prosperity Fund, as agreed with Government.								
Latest Update	Project carried forward from 22-23 year								
Risks	Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
<ul style="list-style-type: none"> 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		Due Date					
Project Summary	Identifying, consulting on, and delivering long-term regeneration of the shopping centre and surrounding areas.								
Latest Update	Project carried forward from 22-23 year Project to continue in 2023/24, with focus on initial consultation, opening of digital and in-person hubs, appointment of consultants, and the move to Phase 2 consultation								
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					


	Create and Communicate a Place Narrative for North Herts	Progress		Due Date					
Project Summary	To create and communicate a clear and consistent story of our district which will be incorporated in future Council comms and used to attract funding and visitors to our district through inclusion in our 2023 Enterprise strategy.								
Latest Update	New for 23/24								
Risks	Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
That other unplanned urgent communication workload/projects take priority and result in the target stage dates being missed/needing to be moved.		1		1					


	Enterprise Strategy	Progress		Due Date					
Project Summary	Development and approval of an Enterprise Strategy, incorporating Commercial, Economic Development and Tourism.								
Latest Update	New for 23/24 Supersedes two previously reported CDP projects relating to separate Economic Development and Tourism strategies.								
Risks	Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
1. Delay in development of strategy and associated resourcing		2		1					

	Local Plan Delivery / Review	Progress		Due Date					
Project Summary	Deliver and review the NH Local Plan								
Latest Update	New for 23/24								
Risks	Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
1 – Delay in delivery of main sites leading to hostile applications. Linked to Masterplanning project.		5		3					

	Oughtonhead Common Weir	Progress		Due Date					
Project Summary	Replace the collapsed weir.								
Latest Update	New for 23/24								
Risks	Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
<p>1. External funding from HCC, EA and Residents is not available</p> <p>2. There is a limited availability of consultants that can undertake the detailed designs required for this project which may impact upon the timeline for delivery</p> <p>3. The existing situation could deteriorate quickly prior to any works being undertaken requiring a prompt temporary solution to manage the immediate situation</p>		4	4	2					


	Playground Renovation 2023/24 Program	Progress		Due Date					
Project Summary	Progress playground renovation projects, as per the Greenspace Strategy								
Latest Update	New for 23/24								
Risks	Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
1. Groundwork not secured to deliver the projects 2023 - 24 2. Budget insufficient to deliver project following appropriate public consultation		3	3	2					

	Waste & Street Cleansing Contract Procurement	Progress		Due Date					
Project Summary	Procurement of Waste & Street Cleansing contract.								
Latest Update	New for 23/24								
Risks	Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
1. Unable to secure interested bidders 2. Capacity of key staff 3. Depots not fit for purpose/available 4. Governments R&WS differs from specification 5. Costs are over budget		9	9	9	Kg residual waste per household				264kg
					Percentage of household waste sent for reuse, recycling and composting				57.5%


	Waste Depot		Progress			Due Date				
Project Summary	New waste depot, co-located with a HCC transfer station and household waste recycling centre.									
Latest Update	New for 23/24									
Risks	Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target	
1. Funding not available for EV charging 2. Fuel tank not fit for purpose/available for HVO 3. Planning permission refused for Buntingford depot 4. Capital works money not available 5. Lease not secured for Letchworth Depot 6. Business case and planning permission not approved for new Northern depot		9	9	5						

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	Local Authority Housing Fund		Progress			Due Date				
Project Summary	Delivery of additional housing through Registered Providers..									
Latest Update	New for 23/24									
Risks	Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target	
The funding provided is still not enough to make it viable. The terms of the funding are not flexible enough to allow the partial delivery against our allocation.	High impact, medium likelihood			1	Number of main scheme houses delivered Number of larger houses delivered				2 1	

	Leisure Contract Procurement	Progress		Due Date					
Project Summary	Delivery of additional housing through Registered Providers..								
Latest Update	New for 23/24 Includes development of strategies and procurement processes.								
Risks	Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
1.In-house staff capacity to deliver the procurement 2.Delays to project plan 3. Affordability 4. Operational issues at handover (if awarded to new contractor)		5	5	3					

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	Solar PV on Leisure Centres	Progress		Due Date					
Project Summary	Installation at the three leisure centres								
Latest Update	New for 23/24								
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	3	Units of Electricity Generated by Solar PV				Proposed as information only for first year

PIs and Risks Not Linked to Specific Projects

Risks	Risk Level	Original Score	Current Score	Target Score
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. The cost of living crisis is leading to Government providing targeted support to individuals/households, some of which requires our support to administer. The shortage of staff and other resources may affect our ability to respond, even if money is available.		8	8	2
IT/ Cyber Risks - To reflect the significant impact that any loss of IT systems would have on the Council.		8	8	6

Performance Indicators	Status	Trend	Value	Target
Electricity and gas energy consumption (kWh) - 100% of reported energy consumption is from green energy sources				1,781,751
Percentage of NNDR collected in year				86.5%
Percentage of council tax collected in year				91.5%
Percentage of raised sales invoices due for payment that have been paid				97%
% of payments received that were paid by electronic methods				99.3%
Miles driven by NHC full electric vehicles				26,250
Social Value - Value of Social Value committed via Social Value Portal/ Value of Social Value measured as delivered via Social Value portal				Proposed as data only for first year of use
Bancroft Café Kiosk - Value of sales at the new kiosk.				Proposed as data only for first year of use

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Project details (milestones, performance indicators and risks) to be updated and further developed via 2022/23 year-end monitoring and the transition into the 2023/24 Council Delivery Plan.

Proposed Council Delivery Plan Projects for 2023/24 – Summary

Project	Project Summary	Comments
Projects Carried Forward from 2022/23		
Museum/HTH Recovery	To rebuild museum visitor numbers, Town Hall usage and income.	
Town Centre Recovery	Completion of economic recovery strategies for four towns. Development of permit scheme for experimental Traffic Regulation Orders.	
Health Inequalities	To secure funding for projects (targeting HCC Public Health) to address health inequalities. Then develop actions based on funding available and terms attached.	Relates to two areas - Health & Wellbeing and Environmental Health (EH subject to new revenue proposal being put forward)
Resident / Public EV Charging in our Car Parks	Submit grant application to Office for Zero Emission Vehicles for funding. Further actions dependent on funding awarded.	Subject to grant funding being awarded.
Cycling Network	Working with HCC as they develop a Local Cycling & Walking Infrastructure Plan (LCWIP). Use to inform a North Herts cycle strategy.	LCWIP now expected to be adopted by October 2023. Work on NHC Cycle Strategy will then follow.
Royston Leisure Centre Solar Thermal	Installation of Solar Thermal technology at Royston Leisure Centre.	Expected to be completed mid-2023.
Town Centre Strategies	Complete High Level Town Centre Recovery Action Plans for each town. Develop project plan for detailed Plans based on high level report.	Now anticipate presenting a related report to Cabinet in July 2023. Details/timings for individual strategies will then follow.
Finalise Pay on Exit Parking Review	Complete feasibility study and report to Cabinet on options.	Milestones for 2023/24 (procurement/phase 1 (trial) implementation) subject to availability of associated Capital budget.
Replacement of Royston Town Hall Annexe	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.	Current estimate is that a new lease could be completed and signed by March 2024.
Supplier Self-Service	Technology in place that allows suppliers to update their details, submit invoices and view payments electronically.	Delayed from 2022/23. To be reviewed to consider whether it is a priority.
Empty Homes Strategy	Develop and implement a strategy to reduce numbers of Empty Homes.	Anticipate adoption by Cabinet in Summer 2023. Scope, and further milestones, dependent on funding/resources available.
New Ways of Delivering Housing on Council Land	Alternative ways to deliver housing on surplus Council land (other than sale to a developer) to provide a greater financial return to the Council.	Following the research into and assessment of various options, expect a decision on a preferred approach by the end of 2023.
Work with Stakeholders to Increase Accommodation for Single Homeless People	Working with Haven First to secure development of accommodation in Letchworth. Work with partners to deliver general and specialist accommodation.	

Project	Project Summary	Comments
Master Planning	Secure funding for Master Plans. Develop Master Plans and seek adoption. Focus is on 6 Strategic sites (approximately 8,500 homes in total) that account for the majority of homes, although there are 12 other sites (approximately 2,500 additional homes) presently captured by masterplan policy requirements.	Funding being obtained from Developer through Planning Performance Agreements. Project board briefed regularly.
Financial Sustainability/ Balancing our Budget	To deliver a medium-term balanced budget for the Council that reflects Council priorities.	
Charnwood House	Leasing the property as a Community Hub.	Although still in the initial stages of the project, expect to have a received a decision on a preferred approach, negotiated terms and completed the required lease by mid-2024.
Museum Storage	Overall to construct a fit-for-purpose museum storage facility. In this year to complete work to enable construction to commence from 2023/24.	New facility expected to be completed and operational by early 2025.
Shared Prosperity Fund	Deliver projects to support the aims of the Shared Prosperity Fund, as agreed with Government.	
Churchgate	Identifying, consulting on, and delivering long-term regeneration of the shopping centre and surrounding areas.	Project to continue in 2023/24, with focus on initial consultation, opening of digital and in-person hubs, appointment of consultants, and the move to Phase 2 consultation.
New Projects for 2023/24		
Create and Communicate a Place Narrative for North Herts	To create and communicate a clear and consistent story of our district which will be incorporated in future Council comms and used to attract funding and visitors to our district through inclusion in our 2023 Enterprise strategy.	
Enterprise Strategy	Development and approval of an Enterprise Strategy, incorporating Commercial, Economic Development and Tourism.	Supersedes two previously reported CDP projects relating to separate Economic Development and Tourism strategies.
Local Plan Delivery / Review	Deliver and review the NH Local Plan.	Given the breadth of the Local Plan milestones will likely follow the path outlined within the Strategic Planning reports presented to Cabinet. The Review will likely form a separate project in future years.
Oughtonhead Common Weir	Replace the collapsed weir.	
Playground Renovation 2023/24 Program	Progress playground renovation projects, as per the Greenspace Strategy.	
Waste & Street Cleansing Contract Procurement	Procurement of Waste & Street Cleansing contract.	
Waste Depot	New waste depot, co-located with an HCC transfer station and household waste recycling centre.	

Project	Project Summary	Comments
Local Authority Housing Fund	Delivery of additional housing through Registered Providers.	
Leisure Contract Procurement	Includes development of strategies and procurement processes.	
Solar PV on Leisure Centres	Installation at the three leisure centres.	

2022/23 Projects Removed for 2023/24

Project	Project Summary	Comments
Tourism Strategy	To develop a draft strategy by March 2023.	Development of a Tourism 'work stream' will now be under an overarching Enterprise Strategy. This will be picked up by a new related project in the 2023/24 CDP.
Business Recovery: Grants	Promotion of business grants and payment. Completion of required Government reconciliations.	Project completed in 2022/23. All business support schemes finished, and associated activities completed.
Economic Development Strategy	Develop Economic Development Strategy based on resources available.	Development of an Economic Development 'work stream' will now be under an overarching Enterprise Strategy. This will be picked up by a new related project in the 2023/24 CDP.
EV Charging for Council Vehicles	Install two charging points in DCO rear car park (charging for four vehicles).	Project completed in 2022/23. However, related PI to be retained to continue reporting the miles driven by NHC full electric vehicles.
Customer Portal	Research options for My Account, transformation programme to consider options for development, implement recommended options.	Expected to be closed down for CDP purposes via the 2022/23 year-end report. Remains ongoing, as business-as-usual service development, with links to the customer service strategy and IT strategy in relation to corporate software solutions.
Help Residents Make Payments at Convenient Locations	Technology in place to allow payments to be made in different ways, including by cash at local shops.	Project completed in 2022/23. However, four related PIs to be retained to monitor outcomes.
Local Plan Implementation	Adoption of Local Plan by Council.	Completed in 2022/23. Adopted on 8 November 2022. Likely to be a new action for 2023/24 relating to delivery/review.
Full Review of Council Tax Reduction Scheme	Implement a new scheme that is affordable, easy to administer and understand and fair to recipients.	Project will be completed when new scheme implemented from 1 April 2023. New CDP project proposed to pick up first year monitoring of the new scheme.
Response to Government Resources and Waste Strategy	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.	For CDP purposes, this project to be closed down at the end of 2022/23. New CDP projects proposed for Waste will focus on key elements leading on from the progress made this year.
Green Space Management Strategy	For this year, installation of interactive play, wilding projects, and other projects (as determined).	Interactive play projects completed, and wilding initiatives now established as ongoing activities throughout the year. New CDP projects proposed that link to the GSMS.

Project	Project Summary	Comments
Local Government Boundary Review	To support and consult on the Boundary Review.	TBC by Service Director. LGBCE is due to publish its final recommendation at the end of March 2023, which will complete all recorded milestones.

Stand-Alone Risks

Risk	Risk Summary	Comments
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. The cost-of-living crisis is leading to Government providing targeted support to individuals/households, some of which requires our support to administer. The shortage of staff and other resources may affect our ability to respond, even if money is available.	Existing, to be retained.
IT/ Cyber Risks	To reflect the significant impact that any loss of IT systems would have on the Council.	To be moved from being a service risk.

Stand-Alone PIs

PI	PI Summary	Comments
Electricity and gas energy consumption	Electricity and gas energy consumption (kWh) where the Council pays directly for the energy usage.	Existing, to be retained.
Social Value	Value of Social Value committed via Social Value Portal/ Value of Social Value measured as delivered via Social Value portal	New proposed.
Bancroft Café Kiosk	Value of sales at the new kiosk	New proposed.

CABINET
DATE 14 March 2023

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: REGULATION OF INVESTIGATORY POWERS ACT ('RIPA') UPDATE AND ANNUAL REVIEW

REPORT OF: LEGAL REGULATORY TEAM MANAGER & DEPUTY MONITORING OFFICER

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

COUNCIL PRIORITY: PEOPLE FIRST / SUSTAINABILITY

1. EXECUTIVE SUMMARY

This Report provides an annual update and proposed amendments to the Council's current RIPA Policies following new legislation.

2. RECOMMENDATIONS

That Cabinet

- 2.1. approves the RIPA Policy as amended (Appendix A).

3. REASONS FOR RECOMMENDATIONS

To comply with best practice guidance and the Committee's terms of reference.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. None.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1. The Chair of Overview & Scrutiny and Executive Members (Leader and Deputy in their relevant roles) have been kept informed of the fact that amendments will be required to relevant policy document.

6. FORWARD PLAN

- 6.1 This report contains a recommendation on a key Executive decision that Cabinet would be required to take and was therefore referred to in the Forward Plan on 23 January 2023.

7. BACKGROUND

- 7.1. The Regulation of Investigatory Powers Act 2000 (“RIPA”) enables local authorities to carry out certain types of surveillance activity, as long as specified procedures are followed. The information obtained as a result of surveillance operations can be relied upon in court proceedings providing RIPA is complied with. The Investigatory Powers Act 2016 (“IPA”) is the main legislation governing the acquisition of communications data. The information obtained as a result of these acquisitions can also be relied upon in court proceedings providing IPA is complied with. Full details of the RIPA requirements and compliance are set out in the Policy, with relevant documents and guidance document available to relevant officers via the intranet should they consider it necessary to use these powers.
- 7.2. The Council is required to have arrangements and a RIPA Policy in place. The current one was last approved by Cabinet in June 2020 (updated together with the Social Media in Investigations Policy), although reviewed annually in 2021 and lastly in January 2022 by the Overview & Scrutiny Committee – albeit no changes were recommended.
- 7.3. RIPA regulates the use of certain surveillance powers by public authorities, including: –
 - Directed Surveillance (covert surveillance conducted as part of a specific investigation likely to result in obtaining private information about an individual), –
 - Use of Covert Human Intelligence Sources (CHIS), and
 - Access to communications data (e.g. details of subscribers to telephone numbers or email accounts)
- 7.4. The Council is a very rare user of these powers. However, it is important that it has sufficient oversight of its activities to ensure that any considered use is compliant with the subject’s human rights.
- 7.5. External Inspections are carried out from time-to-time by the Investigatory Powers Commissioner’s Office (‘IPCO’), so it is important that all documentation is properly completed and (where relevant) authorised to confirm that it is carried out on a lawful basis. The last inspection was held in April 2020. It will be due for a further review on or around 2023 dependent on the IPCO’s inspection scheduling requirements. At the point of writing the report, no further inspection date has been arranged by the IPCO.
- 7.6. Members should note the Council has not used surveillance powers or accessed communications data for some time, lastly noted in **2011**.
- 7.7. The Shared Anti-Fraud Service (‘SAFs’) does, however, utilise such powers and these are regulated through Herts County Council’s processes and attends our officer Corporate Enforcement meetings. Where relevant an officer(s) of Nafn (National Anti-Fraud Network) attends our quarterly corporate enforcement forum meetings and keep our enforcement officers and authorising officers up to date. Training is also provided via that forum by Nafn, in 2020, and by internal officer in 2021. Legal Officers also received training in 2021 and further training is in the process of being arranged for 2023.
- 7.8. Members will also note that in accordance with good practice guidelines Members receive quarterly updates on the use of any powers via the Member Information Service.

- 7.9. In terms of Communications data, the IPA provided an updated framework for lawful acquisition of Communications Data, to include the who, where, what, when and how a Local Authority can obtain communications and Communications Data (Entity and Events Data)
- 7.10. All such applications *must be processed through the Nafn* as the Single Point of Contact (SPoC), who will consider the application prior to submitting this for approval to the Office for Communications Data Authorisations (OCDA). All applications must be approved before Communications Data is acquired. The Investigatory Powers Commissioner oversees the use of the powers. All applications submitted to NAFN are completed via their online portal. The form is available for completion within that workflow system and reflects the current Home Office application form. Nafn does not accept application forms outside of the workflow system and any application queries go via the Nafn RIPA SPoC. This means there is an experienced person qualify controls and checks any applications considered / made by North Herts Council.

8. RELEVANT CONSIDERATIONS

- 8.1. There are no ongoing authorisations.
- 8.2. The Home Office publishes national Codes of Practice on the use of RIPA powers by public authorities. These help public authorities assess and understand whether and in what circumstances it is appropriate to use covert techniques. The codes also provide guidance on what procedures need to be followed in each case. The Council must have regard to the relevant Code of Practice whenever exercising powers covered by RIPA. The Investigatory Powers Commissioner (IPC) conducts regular inspections of all public authorities to ensure compliance with RIPA, and the Codes of Practice.
- 8.3. Sections 37 to 44 of the Police, Crime, Sentencing and Courts Act 2022 (PCSCA) came into force on 8 November 2022. This provides public authorities with a further power to extract (Communications) Data held on electronic devices.
- 8.4. Before action is taken, there must be a reasonable belief that information stored on the device will be relevant for one of three scenarios and satisfaction that the extraction of the information is necessary and proportionate to achieve the purpose.
- 8.5. To ensure any extraction of stored communications under s37 remains lawful, it is essential that the criteria and procedures set out within the Act and the associated Code of Practice are fulfilled.
- 8.6. A failure to follow these procedures correctly could result in a s.3 IPA offence (unlawful interception) being committed. *However, Members should note the control mechanisms in place as set out in 7.10 above.*
- 8.7. An extraction that has failed to comply with the requirements must be reported to the Investigatory Powers Commissioner's office as a relevant error.
- 8.8. Revision of the Policy in terms of communications data to reflect the legislative changes arising from the implementation of the PCSCA is covered under the proposed changes to section 5 'Acquisition and disclosure of Communications Data in Appendix A)
- 8.9. A copy of the Policy with the proposed amendment is appended.

9. LEGAL IMPLICATIONS

- 9.1. The Overview and Scrutiny Committee's Terms of Reference in the Council's Constitution at paragraph 6.2.7(r) states that it shall be entitled to consider reports relating to the authority's use of the Regulation of Investigatory Powers Act (2000) (RIPA).
- 9.2. The Overview and Scrutiny Committee were asked to consider this report and make a recommendation to Cabinet in line with its Terms of Reference. It is Cabinet's responsibility to adopt the RIPA Policy.
- 9.3. Paragraph 5.6.1 of the Council's Constitution states that Cabinet may, by resolution, prepare and agree to implement policies and strategies other than those reserved to Council.

10. FINANCIAL IMPLICATIONS

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

11. RISK IMPLICATIONS

- 11.1. It is important that the Council continues to operate in accordance with RIPA to ensure that it is able to effectively manage its reputational risk whilst also exercising its legitimate evidence gathering powers in connection with enforcement activity.

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 contents of this report do not directly impact on equality, in that it is not making proposals that will have a direct impact on equality of access or outcomes for diverse groups.

13. SOCIAL VALUE IMPLICATIONS

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

14. ENVIRONMENTAL IMPLICATIONS

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

15. HUMAN RESOURCE IMPLICATIONS

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

16. APPENDICES

16.1 Appendix A - RIPA Policy amended draft showing tracked changes.

17. CONTACT OFFICERS

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18. BACKGROUND PAPERS

18.1 [Extraction of Information from electronic devices: code of practice \(publishing.service.gov.uk\)](http://publishing.service.gov.uk)

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NORTH HERTFORDSHIRE DISTRICT COUNCIL
REGULATION OF INVESTIGATORY POWERS ACT
2000 (RIPA)
POLICY & PROCEDURES



www.north-herts.gov.uk

POWERS ACT 2000
POLICY AND PROCEDURES
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1 INTRODUCTION & BACKGROUND

- 1.1 This Policy is the framework on which the Council applies the provisions of The Regulation of Investigatory Powers Act 2000 (RIPA) as it relates to covert surveillance. It must be read in conjunction with the statutory codes of practice issued by the Secretary of State and any additional guidance provided by Investigatory Powers Commissioner's Office (IPCO) and individual Directorates to deal with the specific issues of their service.
- 1.2 For the avoidance of doubt, all references to the Home Office Codes of Practice relate to the latest versions which were issued in relation to covert surveillance and covert human intelligence sources; and in relation to the acquisition and disclosure of Communications Data. References to the Code of Practice and other relevant Guidance document relate to the latest version which was issued¹.
- 1.3 The Human Rights Act 2000 requires the Council to have respect for the private and family life of citizens. However, in rare cases, it may be lawful, necessary and proportionate for the Council to act covertly in ways that may interfere with an individual's rights.
- 1.4 The rights conferred by Article 8 of the Human Rights Act are qualified, so it is still possible for a public authority to infringe those rights providing the following criteria are satisfied;
- 1.4.1 **It is done in accordance with the law**
- 1.4.2 **It is necessary:** Necessity means that in the particular circumstances of each enquiry there is no reasonably available overt method of obtaining the information that is being sought. This test will have to be applied to each case on its own merits but if there is a reasonable alternative to covert surveillance then the necessity test will probably not be satisfied.
- 1.4.3 **It is proportionate:** Judging proportionality will probably involve three considerations.
- Is the proposed method of surveillance excessive in relation to the seriousness of the matter that is being investigated? Is it proportional to the mischief under investigation?
 - Is there a reasonable available alternative method of investigation that would be less intrusive of privacy rights? i.e. It is the only option, other overt means having been considered and discounted.
 - Can collateral intrusion be avoided, and is the surveillance proportional to the degree of anticipated intrusion on the target and others? In addition to the subject there may be a possibility that the privacy rights of a third party may be infringed during surveillance.
- 1.5 It is possible that unauthorised surveillance will be a breach of a person's right to privacy under Article 8. Even if surveillance without due authorisation

¹ Home Office – Communications Data Code of Practice 2018

in a particular instance is not illegal, if authorisation is not obtained, the surveillance carried out will not have the protection that RIPA affords.

- 1.6 If the correct procedures are not followed:
- The authorisation will not take effect as it will not be approved by the Magistrates Court if there are not reasonable grounds
 - Court proceedings that rely upon the information obtained by surveillance may be undermined
 - A complaint of maladministration may be made to the Ombudsman
 - The Council could be the subject of an adverse report by the Investigatory Powers Commissioner's Office
 - A claim could be made leading to the payment of compensation by the Council
- 1.7 Through the application of authorisation procedures and Magistrates Court approval RIPA ensures that a balance is maintained between the public interest and the human rights of individuals.
- 1.8 RIPA does not;
- Make unlawful anything that is otherwise lawful
 - Impose any new statutory duties (N.B. but see paragraphs 1.5 –1.7 on the possible consequences of non compliance)
 - Prejudice or disapply any existing powers available to the Council to obtain information by any means not involving conduct that is governed by RIPA. (For example, it does not affect the Council's current powers to obtain information from the DVLA or the Land Registry).
- 1.9 If the RIPA procedures are followed correctly the conduct of an investigation will be deemed lawful for all purposes (section 27 RIPA). This protection extends to criminal and civil proceedings, and a complaint to either the Local Government Ombudsman or the Investigatory Powers Tribunal. It therefore provides protection both for the Council and any officer who may have been involved in an investigation.
- 1.10 It is important to note that the legislation does not only affect directly employed Council staff. Where external agencies are working for North Hertfordshire District Council, carrying out the Authority's statutory functions, the Authority remains liable for compliance with its duties. It is essential that all external agencies comply with the regulations, as they are contractually obliged to do so. Therefore, work carried out by agencies on the Council's behalf should be properly authorised by one of the Council's designated Authorising Officers and requires Magistrates Court approval for applications and renewals. Authorisation for surveillance should not be sought on behalf of another statutory or other organisation or agency. The advice of the Senior Responsible Officer ('SRO') should be sought in the event of uncertainty.
- 1.11 Applications to the Magistrates' Court for approval of an authorisation must be made in accordance with the requirements of the Court.
- 1.12 The use of the powers conferred by RIPA is subject to scrutiny by the Investigatory Powers Commissioner's Office, which carries out periodic

inspections of the Council's practices and procedures. Furthermore, RIPA also provides for the establishment of a Tribunal to determine complaints about the use of RIPA powers. It is therefore essential that surveillance is always carried out in compliance with RIPA, the policies and codes of practice referred to in this document and any advice or guidance that may be issued from time to time by the Service Director: Legal and Community.

1.13 RIPA provides a means of authorising certain acts of covert surveillance for a variety of purposes. To fully understand the effects of RIPA, it is essential to understand the various types of activity that are covered, and those that are not permitted, and the purposes that will justify surveillance.

1.14 The provisions of RIPA that apply to Local Authorities provide a regulatory framework that permits;

- **The use of Directed Surveillance (Part 3)**
- **The Use of Covert Human Intelligence Sources (Part 4)**
- **The Acquisition and Disclosure of Communications Data (Part 5)**

2. SURVEILLANCE

2.1 Local Authorities and the Police are permitted under RIPA to carry out covert directed surveillance and to use covert human intelligence sources the definitions for each being as follows;

2.2 **“Surveillance”** includes:

- Monitoring, observing, listening to persons, watching or following their movements, listening to their conversations or their other activities or communications;
- Recording anything monitored, observed or listened to in the course of surveillance; and
- Surveillance by, or with, the assistance of a surveillance device, which will include cameras, video, and listening or recording devices.

Surveillance can be either **overt** or **covert**.

2.3 Overt Surveillance

2.3.1 Most of the surveillance undertaken by the Council will be done overtly – there will be nothing secretive, clandestine or hidden about it. In many cases officers will be going about Council business openly (e.g. a routine inspection by an Environmental Health Officer) or will have notified the subject of the investigation that they are likely to be under surveillance. In the latter case officers need to be particularly alert to the possibility that the proposed surveillance may entail collateral intrusion into the lives and activities of persons other than the subject of the investigation (e.g. a visitor to premises). If there is the slightest possibility of collateral intrusion a RIPA authorisation should be obtained before any surveillance is carried out.

2.3.2 Surveillance will be overt if the subject has been told it will happen. This will be the case where a noisemaker is warned that recordings will be made if the

noise continues; or where an entertainment licence is issued subject to conditions, and the licensee is told that officers may visit without notice or without identifying themselves to the owner/proprietor to check that the conditions are being met. Such warnings should be given to the person concerned in writing.

- 2.3.3 Overt surveillance does not require any authorisation under RIPA. Neither does low-level surveillance consisting of general observations in the course of law enforcement (for example, an officer visiting a site to check whether a criminal offence had been committed). Repeated visits may amount to systematic surveillance however, and require authorisation: if in doubt, advice should be sought from the RIPA Monitoring Officer or the Senior Responsible Officer
- 2.3.4 Home Office guidance also suggests that the use of equipment such as binoculars or cameras, to reinforce normal sensory perception by enforcement officers as part of general observation does not need to be regulated by RIPA, if the systematic surveillance of an individual is not involved. However, if binoculars or cameras are used in relation to anything taking place on any residential premises, or in any private vehicle, the surveillance can be intrusive even if the use is only fleeting. Any such surveillance will be intrusive “if it consistently provides information of the same quality as might be expected to be obtained from a device actually present on the premises or in the vehicle”. The quality of the image obtained rather than the duration of the observation is what is determinative. It should be remembered that the council is not permitted to undertake intrusive surveillance.
- 2.3.5 Use of body worn cameras should be overt. Badges should be worn by officers stating body cameras are in use and it should be announced that recording is taking place. In addition, cameras should only be switched on when recording is necessary – for example, when issuing parking tickets.

2.4 Covert Surveillance

Covert surveillance is covert where it is ‘carried out in a manner **calculated** to ensure that the person or persons subject to the surveillance are unaware that it is or may be taking place’.

RIPA requires the authorisation of two types of covert surveillance (directed surveillance and intrusive surveillance) plus the use of covert human intelligence sources (CHIS) or acquisition of Communications Data.

2.5 Covert Human Intelligence Source (CHIS)

- 2.5.1 A person is a covert human intelligence source if that person ‘establishes or maintains a personal or other relationship with a person for the covert purpose of obtaining information or providing access to any information to another person, or they covertly disclose information obtained by the use of such a relationship’. Covert in this context means that it is calculated that the subject should be unaware of the purpose of the relationship.

A member of the public who volunteers information to the Council is not a covert human intelligence source.

- 2.5.2 The conduct or use of CHIS must be authorised in accordance with RIPA.

Conduct of a CHIS. This is establishing or maintaining a personal or other relationship with a person for the covert purpose of (or is incidental to) obtaining or passing on information.

Use of a CHIS. This includes inducing, asking or assisting a person to engage in the conduct of a source or to obtain information by means of the conduct of such a source.

The use of a juvenile CHIS may only be authorised for four months at a time.

2.5.3 Members of the public who report allegations of anti social behaviour and are asked to keep a note of incidents will not normally be CHIS as they are not usually required to establish or maintain a covert relationship.

2.5.4 Noise

Persons who complain about excessive noise, and are asked to keep a noise diary, will not normally be a CHIS, as they are not required to establish or maintain a relationship for a covert purpose. Recording the level of noise (e.g. the decibel level) will not normally capture private information (if non-verbal noise such as music, machinery or an alarm), and therefore does not require authorisation. Recording sound with a DAT recorder or similar, could constitute covert surveillance, although if it can be heard from the street outside, may (as per the Code of Practice²) be regarded as having forfeited any claim to privacy. The easiest option is for this to be under taken overtly – for example it will be possible to record sound if the noisemaker is warned that this will occur if the level of noise continues.

2.5.5 Test Purchases

Carrying out test purchases will not normally require the purchaser to establish a relationship with the supplier with the covert purpose of obtaining information, and therefore the purchaser will not normally be a CHIS. For example, authorisation would not normally be required for test purchases carried out in the ordinary course of business (e.g. walking into a shop and purchasing a product over the counter). By contrast, developing a relationship with a person in the shop, to obtain information about the seller's suppliers of an illegal product e.g. illegally imported wild meat, or using covert recording equipment is likely to require authorisation as a CHIS. Similarly, using hidden recording devices to record what is going on in the shop (e.g. a hidden CCTV Camera) may require authorisation as directed surveillance. A combined authorisation can be provided if a CHIS is carrying out directed surveillance.

2.5.6 **Note 251 of the OSC's 2016 Procedures & Guidance document states:**
251. A local authority may prefer to seek the assistance of the police or another public authority to manage its CHIS. In such a case a written protocol between the parties should be produced in order to ensure that an identified CHIS is properly managed (see CHIS Code of Practice 6.12). In the absence of such an agreement the local authority must be capable of fulfilling its statutory responsibilities.

2.6 Directed surveillance

² 3.40

Directed Surveillance is surveillance that is:

- covert but not intrusive surveillance; (see paragraph 3.2)
- undertaken for the purpose of a specific investigation or operation carried out in such a manner as is likely to result in the obtaining of private information about a person (whether one specifically identified for the purposes of the investigation or operation) and
- not carried out as an immediate response to events which would otherwise make seeking authorisation under RIPA unreasonable (e.g. spotting something suspicious and continuing to observe it).

2.7 Surveillance by way of an immediate response to events or circumstances where it would not be 'reasonably practicable' for an authorisation to be sought is not included within the provisions of RIPA.

2.8 Private Information

This phrase is defined in RIPA section 26(10) as including any information relating to a person's private or family life. The European Court of Human Rights has considered this definition and has found that private life is a broad term not susceptible to exhaustive definition. Aspects such as gender identification, name, sexual orientation and sexual life are important elements of the personal sphere protected by Article 8. The Article also protects a right to identity and personal development and the right to establish and develop relationships with other human beings and the outside world and it may include activities of a professional or business nature. There is therefore a zone of interaction of a person with others even in a public context, which may fall within the scope of "private life".

The fact that covert surveillance occurs in a public place or on business premises does not necessarily mean that it cannot result in the acquisition of private information about a person. Prolonged surveillance targeted on a single person will undoubtedly result in the obtaining of private information about them and others that they come into contact with or with whom they associate. Similarly, although the overt use of CCTV cameras does not normally require authorisation, if the camera is used for a particular purpose that involves the prolonged surveillance of a particular person, a RIPA authorisation will be required.

3 EXCLUSIONS

3.1 There are some instances where surveillance is not permissible in any circumstances:

3.2 Intrusive Surveillance

RIPA provides that the Council **cannot** authorise intrusive surveillance. This is covert surveillance carried out in relation to anything taking place on residential premises or in any private vehicle, whether by way of a person or device.

It will also be intrusive surveillance where a device placed outside consistently provides information of the same or equivalent quality and detail, as might be expected if it were in the premises or vehicle

Residential premises are any part of premises occupied for residential purposes or living accommodation, including hotel rooms or prison cells. However, it does not include common areas in blocks of flats and similar premises.

Private vehicle is a vehicle used primarily for private purposes by the owner or person entitled to use it.

Only the police or other law enforcement agencies are permitted to employ intrusive surveillance. Likewise, the council has no statutory powers to interfere with private property.

3.3 Use of Children to gather information about parent/ guardian

Authorisation may not be granted for the conduct or use of a source under the age of sixteen where it is intended that the purpose is to obtain information about their parent or any person who has parental responsibility for them.

3.4 Vulnerable Individuals

A vulnerable individual is a person who is, or may be, in need of community care services by reason of mental or other disability, age or illness and who is or may be unable to take care of themselves, or unable to protect themselves against significant harm or exploitation. Where it is known or suspected that an individual may be vulnerable they will only be authorised as a CHIS in the most exceptional of circumstances.

4 GROUNDS FOR SURVEILLANCE

4.1 Amendments to the Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010 ("the 2010 Order") mean that a local authority can now only grant an authorisation under RIPA for the use of Directed Surveillance where the local authority is investigating criminal offences which attract a custodial sentence of a maximum term of at least 6 months' imprisonment, or criminal offences relating to the underage sale of alcohol or tobacco under sections 146, 147 or 147A of the Licensing Act 2003 or section 7 of the Children and Young Persons Act 1933.

4.2 Even if the person granting the authorisation believes that the authorisation is necessary, they must also be satisfied that the authorised activity is proportionate to what is sought to be achieved by it. This requires the Authorising Officer to balance the need for surveillance with the level of intrusion into any person's privacy.

4.3 Consideration should be given to collateral intrusion, which is interference with the privacy of persons other than the subject(s) of the surveillance. Such collateral intrusion or interference would be a matter of greater concern in cases where there are special sensitivities, for example in cases of premises used by lawyers or for any form of medical or professional counselling or therapy.

4.4 Confidential information

Careful consideration is also needed when there is a risk of obtaining confidential information.

The Covert Surveillance and Property Interference³ defines this as:

“information held in confidence concerning an individual (whether living or dead) who can be identified from it, and the material in question relates to his or her physical or mental health or to spiritual counselling. Such information can include both oral and written communications. Such information as described above is held in confidence if it is held subject to an express or implied undertaking to hold it in confidence or it is subject to a restriction on disclosure or any legal obligation of confidentiality. For example, confidential personal information might include consultations between a health professional and a patient, or information from a patient’s medical records”.

In cases where it is likely that confidential information will be acquired the authorisation must be granted by the Head of the Paid⁴ Service (or in their absence by an authorised Chief Officer).

- 4.5 An application for an authorisation must include a full assessment of the risk of any collateral intrusion or interference so that the Authorising Officer can consider this.
- 4.6 Authorising Officers must always consider the need for surveillance or CHIS and balance this against an individual’s right to privacy under the Human Rights Act 1998. An officer seeking an authorisation should always be able to justify why it is necessary and why other, less intrusive, forms of investigation are unsuitable or have previously been tried without success and thus the matter has escalated to the requirement for covert surveillance.

5 ACQUISITION AND DISCLOSURE OF COMMUNICATIONS DATA

- 5.1. The Investigatory Powers Act 2016 (‘IPA’) provided an updated framework for lawful acquisition of Communications Data, include the who, where, what, when and how a Local Authority can obtain communications and Communications Data. The IPA sets out the three powers, under sections 60A, 61 and 61A, which can be used to authorise the acquisition of Communications Data (CD), dependent on the statutory purpose and urgency. Only section 60A is relevant to local authorities, although a number of new offences would also apply in terms of unlawful acquisition and disclosure of Communications Data⁵.
- 5.2. Public Authorities can only apply if this is for ‘the applicable crime purpose’. This means the data has to be wholly or partly Events data, the purpose of preventing or detecting serious crime; or in any other case, the purpose of preventing or detecting crime or of preventing disorder.
- 5.3. The types of Communications Data that Local Authorities’ can access are Entity and Events Data, which are defined as:

³ 2018 @ para 9.29.

⁴ Where any relevant legislation and or codes of practice refers to the Chief Executive, for interpretation purposes this is deemed to be the person who holds the role of Head of Paid Service or their Deputy.

⁵ Sections 11 & 82 IPA 2016

- **Entity Data:** means any data which is about —
 - (a) (i) an entity, (ii) an association between a telecommunications service and an entity, or (iii) an association between any part of a telecommunication system and an entity,
 - (b) consists of, or includes, data which identifies or describes the entity (whether or not by reference to the entity's location) and is not events data.
- **Events Data:** any data which identifies or describes an event (whether or not by reference to its location) on, in or by means of a telecommunication system where the event consists of one or more entities engaging in a specific activity at a specific time. Where the purpose of the acquisition is to prevent or detect crime, and the data required is events data, the offence or conduct of the offence being investigated must meet at least one of the definitions of serious crime⁶.

5.4. The IPA has also removed the necessity for local authorities to seek Magistrates or Justice of the Peace approval to acquire Communications Data. All such applications must now be processed through the National Anti-Fraud Network (NAFN), who will consider the application prior to submitting this for approval to the Office for Communications Data Authorisations ('OCDA'). All applications must be approved before Communications Data is acquired. The Investigatory Powers Commissioner oversees the use of the powers (who with Judicial Commissioners have a role to approve authorisations to identify or confirm the identity of a journalist's source). The application process has otherwise been made more efficient through the ability to submit these electronically⁷.

5.5. Sections 37 to 44 of the Police, Crime, Sentencing & Courts Act 2022 (PCSCA) came into force on 8 November 2022. This provides public authorities with a further power to extract data held on electronic devices.

5.6. Before action is taken, there must be a reasonable belief that information stored on the device will be relevant for one of three scenarios and satisfaction that the extraction of the information is necessary and proportionate to achieve the purpose.

5.7. The three scenarios provided under s37(2) are for the purpose of:

- (a) preventing, detecting, investigating or prosecuting crime;
- (b) helping to locate a missing person; or
- (c) protecting a child or an at-risk adult from neglect or physical, mental or emotional harm.

5.8. To ensure any extraction of stored communication under s.37 remains lawful, it is essential that the criteria and procedures set out within the PCSCA and the association Code of Practice are fulfilled.

⁶ Section 86(2A) of the Act this means: an offence for which an adult is capable of being sentenced to one year or more in prison; any offence involving violence, resulting in substantial financial gain or involving conduct by a large group of persons in pursuit of a common goal; any offence committed by a body corporate; any offence which involves the sending of a communication or a breach of privacy; or an offence which involves, as an integral part of it, or the sending of a communication or breach of a person's privacy

⁷ See local authority procedures set out in paragraphs 8.1 to 8.7 of the Communications Data Code of Practice.

- 5.9. A failure to follow these procedures correctly could result in a s.3 IPA offence (unlawful interception) being committed.

6. PROCEDURE TO OBTAIN A RIPA AUTHORISATION

- 6.1 Directed surveillance, the use of CHIS must be lawfully carried out in strict accordance with the terms of the relevant authorisation and Magistrates Court approval.
- 6.2 The Council will only very occasionally make use of CHIS so the applicant officer should consult the Senior Responsible Officer before making an application for a CHIS authorisation in order to ensure that the current statutory requirements and best practice are being observed.
- 6.3 Applications for Communications Data is as indicated above via NAFN.
- 6.4 All applications for authorisation must be sought and granted *before* any surveillance activity takes place. The decision whether or not to authorise an application must not be taken with the benefit of hindsight. This should be borne in mind when submitting an application to the Magistrates' Court under Paragraph 7 below.

6.5 Making the Application

Before making an application for an authorisation the requesting officer must;

- read this policy document
- determine whether the activity that they are proposing to conduct involves directed surveillance or the use of a CHIS
- assess whether the activity will be in accordance with the law – is it governed by RIPA
- assess whether the activity is necessary and why
- assess whether the activity is proportionate.

If the activity could be conducted overtly or if a less intrusive option is available and practical use that option in preference to a RIPA authorisation.

- 6.6 The application form once completed by the applicant officer, must be submitted to an Authorising Officer, together with a health and safety risk assessment that should cover any potential risks to Council officers, or third parties, including members of the public.
- 6.7 The persons entitled to grant authorisations are designated in the Schedule of Authorising Officers, which is kept by the Senior Responsible Officer and is accessible on the Council's Intranet
- 6.8 The Authorising Officer should note:
- the date and time of grant or refusal;
 - the reasons for that decision;

- the exact date on which the authorisation will be reviewed.

6.9 An application must describe:

- any conduct to be authorised;
- the purpose of the investigation and how long the situation has existed;
- why it is necessary;
- why it is proportionate;
- the intended subjects, if known;
- the intended product that the surveillance will provide;
- any potential collateral intrusion and the justification for this;
- details of any confidential information that may be obtained;

6.10 The Application Forms

6.10.1 The Home Office has published standard forms for the use by local authorities. These have been adopted by the Council and can be accessed through the Intranet under *Corporate – Forms - RIPA*. Every box in the application form must be completed or marked n/a where it is not appropriate.

6.10.2 Each operation/ investigation must be allocated a unique reference number (URN). This will be the next number in sequence taken from the Central RIPA Log, as identified by the Authorising Officer and should be entered on the form.

7. MAGISTRATES' COURT APPROVAL

7.1 All RIPA authorisations (other than Communications Data) will require Magistrates' Court approval in the form of an order to take effect. The court must be satisfied that reasonable grounds exist in relation to the authorisation. The Home Office issued guidance to all Magistrates' Courts in England and Wales for a local authority application seeking an order approving the grant or renewal of a RIPA authorisation or notice⁸.

7.2 Legal Services must be consulted on the form and content of the application to the Magistrates' Court for approval.

7.3 The types of offences for which RIPA authorisation can be obtained by the Council are outlined under section 4 above.

8 DURATION OF AUTHORISATIONS

8.1 It is no longer possible for urgent authorisations to be given orally. However, a Magistrate may consider an authorisation out of hours in exceptional circumstances.

8.2 Directed surveillance authorisations will cease to have effect (unless renewed) at the end of a period of three months beginning with the day on which it took effect. 8.3 Three months' is deemed for the purpose of this guidance to mean three calendar months/twelve weeks from the date of approval by the magistrate.

⁸ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/118174/magistrates-courts-eng-wales.pdf

8.4 Authorisations for the conduct or the use of covert human intelligence sources will last for up to 12 months, beginning with the day on which the grant or renewal takes effect.

8.5 Authorisations relating to Communications Data last 1 month.

8.6 **Review**

8.6.1 The Authorising Officer must review Directed Surveillance authorisations frequently, at least monthly. The frequency of mid term reviews should be risk assessed based on the nature of the operation. If this is a CHIS authorisation, then ordinarily this would be every 3-4 months⁹;

8.6.2 RIPA application forms must be reviewed on or before the expiry date of the authorisation which will be the date stated in the application form. When a RIPA authorisation is reviewed the appropriate form should be completed and record:

- the date and time of that review
- confirmation as to whether the surveillance is to continue or not
- the reasons for that decision

8.7 **Renewal**

8.7.1 If at any time before an authorisation would cease to have effect, it is necessary for the authorisation to continue for the purpose for which it was given, it may be renewed in writing for a further period of 3 calendar months, beginning with the day when the original authorisation would have expired. Magistrates Court approval is required before a renewal takes effect.

8.7.2 The Authorising Officer must consider the matter afresh, including taking into account the benefits of the surveillance to date and any collateral intrusion that has occurred.

8.7.3 Authorisations may be renewed more than once, provided they continue to meet the criteria for authorisation and are approved by the Magistrates' Court.

8.7.4 Prior to renewal of an authorisation for the use or conduct of a covert human intelligence source, there must be a full review of the use made of that source, the tasks given to that source and the information so obtained.

8.8 **Cancellation**

8.8.1 The Authorising Officer must cancel an authorisation if they become satisfied that the surveillance is no longer required or appropriate.

8.8.2 Authorisations should not be allowed simply to lapse. The matter should be referred to an Authorising Officer via the same process as for the initial application and a form of cancellation must be completed:

- if the necessary evidence has been obtained; or
- it is decided at any time that the surveillance is unlikely to produce the evidence sought, then.

⁹ IPCO inspection 2020.

- 8.8.3 The Authorising Officer must then cancel the Application without delay. When cancelling the authorisation, the Authorising Officer is required to consider whether the surveillance was effective, necessary and met its objectives. Cancellations must be made using the cancellation form and should briefly detail what product(s) resulted from the surveillance.
- 8.8.4 When cancelling an authorisation, the Authorising Officer must ascertain what recorded material has been obtained using directed surveillance. The Authorising Officer should comment on the recorded material and how it is to be managed or used thereafter. If the matter is not proceeding to a prosecution, the Authorising Officer must be satisfied that any recorded material has been securely destroyed.

9 AUTHORISING OFFICERS

- 9.1 Authorisations may only be given by the Authorising Officers listed in Appendix B. Only the Head of Paid Service can authorise the use of a CHIS, or the acquisition of confidential information.
- 9.2 Applications for the acquisition of Communications Data can only be issued by a Home Office accredited single point of contact (SPoC). The Council has two SPoCs, Service Director: Customers and the Investigations Manager.
- 9.3 NAFN provides a SPoC service to local authorities. Local authorities using the NAFN SPoC service will still be responsible for scrutinising the application for Communications Data prior to contacting NAFN.

9.4 Determining an Application

The applicant officer must complete the application form in its entirety.

Authorisation under RIPA is quite separate from delegated authority to act under the Council's Scheme of Delegation. **RIPA authorisations are for specific investigations only and must be cancelled or renewed once the specific surveillance is complete, or about to expire.**

The Authorising Officer should not just "sign off" an authorisation, they must give **personal consideration** to the necessity and proportionality of the proposed action prior to applying to the Magistrates Court for approval and must personally ensure that the surveillance is reviewed and cancelled.

Any rejected applications must be entered into the RIPA log held by the Service Director: Legal and Community.

- 9.5 In the case of applications for authority to carry out **directed surveillance** the Authorising Officer should:
- consider the relevant Codes of Practice
 - consider whether the specific operation or investigation has been adequately described
 - be satisfied as to the reasons for the application¹⁰ (see 4.1 for grounds).

¹⁰ S.I. 2010/521, see article 7A

- be satisfied that the directed surveillance is **necessary** in the circumstances of the particular case.
- be satisfied that the surveillance is **proportionate** to the stated purpose and objectives
- be satisfied that the possibility of collateral intrusion has been avoided or minimised
- consider the likelihood of confidential information being acquired
- check that an appropriate review period has been listed on the application form.

If there is an alternative practicable means of carrying out the surveillance, which is less intrusive, then the surveillance is neither necessary nor proportionate and should not be authorised. The least intrusive method should be used

Additional Factors when Authorising a CHIS

In addition, when authorising the conduct or use of a CHIS the Authorising Officer must

- be satisfied that the **conduct** and/or **use** of the CHIS is proportionate to what is sought to be achieved.
- be satisfied that **appropriate arrangements** are in place for the management and oversight of the CHIS.
- consider the likely degree of intrusion of all those potentially effected.
- consider any adverse impact on community confidence that may result from the use or conduct, or the information obtained.
- ensure **records** contain statutory particulars and are not available except on a need to know basis.
- ensure that authorisations relating to the use of a juvenile CHIS are only for four months at a time.
- be satisfied that a full risk assessment has been undertaken.

9.6 The role of Senior Responsible Officer (SRO) is undertaken by the Service Director: Legal and Community. The role of RIPA Co-ordinating Officer is undertaken by the Service Director's PA.

The SRO is responsible for:

- the integrity of the process in place within the public authority for the management of CHIS and Directed Surveillance;
- compliance with Part 2 of the Act and with the Codes;

- oversight of the reporting of errors to the relevant oversight Commissioner and the identification of both the cause(s) of errors and the implementation of processes to minimise repetition of errors;
 - engagement with the IPCO inspectors when they conduct their inspections, where applicable; and
 - where necessary, oversight of the implementation of post-inspection action plans approved by the relevant oversight Commissioner.
- 9.7 The role of CHIS Handler will be allocated to either one of the Service Director: Place, Service Director: Customers, or Service Director: Regulatory, depending which directorate is using the CHIS. The CHIS Controller will be allocated to one of the other two heads of service by the Head of Paid Service.

The CHIS Handler is responsible for:

- dealing with the CHIS on behalf of the Council;
- directing the day to day activities of the CHIS;
- recording the information supplied by the CHIS; and
- monitoring the CHIS's security and welfare.

The CHIS Controller is responsible for management and supervision of the CHIS Handler, and general oversight of the use of CHIS.

10. WORKING WITH / THROUGH OTHER AGENCIES

- 10.1 The Council may work in conjunction with other agencies to carry out covert surveillance and to use CHIS's, eg police, DWP, Inland Revenue (but does not include RSLs). It is not necessary for each party to complete its own form of authorisation, and the Council can rely upon a duly authorised form completed by another agency providing that the Authorising Officer is made aware and it has been approved by the Magistrates' Court if required. If another agency chooses to rely on a RIPA authorisation from this Council the Authorising Officer must be made aware.
- 10.2 A copy of another agency's authorisation should be obtained, and copies kept in the same manner as an authorisation granted by the Council. Officers should also ensure that review and renewal dates are noted and that copies of the appropriate forms are also obtained and kept appropriately.
- 10.3 In the event that a member of staff has concerns that an authorisation, Magistrates' Court approval, review, or renewal completed by a partner agency does not comply with the law, codes of practice, or agreed arrangements for surveillance, they should refer the matter to an Authorising Officer of the Council for further action as necessary.
- 10.4 When another agency (e.g. the Police, Inland Revenue etc), wish to use the Council's premises or facilities (other than CCTV) for their own RIPA action, officers should normally co-operate unless there are good operational or management reasons as to why the Council's facilities should not be used for the agency's activities. Suitable insurance or other indemnities may be

sought from the agency in return for the Council's co-operation. In such cases the Council's RIPA forms should not be used if it is merely assisting and is not actually involved in the RIPA activity.

11. RECORD MANAGEMENT

- 11.1 The Council must keep a detailed record of all authorisations, Magistrates' Court approvals, reviews, renewals, and cancellations. Copies of all authorisations, Magistrates' Court approvals, records of oral authorisations, reviews, renewals, cancellations and refusals must be kept in a central register held by an Authorised Officer. In addition, all original authorisations, records of oral authorisations, Magistrates' Court approvals, reviews, renewals, cancellations, refusals and other relevant documents must be sent to the RIPA Co-ordinating Officer, who maintains the central RIPA log (record of authorisations and rejections).
- 11.2 All information obtained during directed surveillance should be recorded in a surveillance log. This should be in a format that gives an accurate and suitably detailed account of the events observed and conversations heard at particular times.
- 11.3 Copies of all authorisations, records of oral authorisations, Magistrates' Court approvals, reviews, renewals, cancellations and refusals should be kept for a period of 6 years after the conclusion of any Court proceedings arising for which the surveillance or use of the CHIS was relevant. If it is believed that the records could be relevant to pending or future criminal proceedings, the officer in charge of the investigation shall confirm that they should be retained for a suitable further period, subject to any subsequent review, prior to the expiry of the five-year period. This decision must be notified to the Service Director: Legal and Community.

11.4 Records maintained in the Directorates and Centrally

- 11.4.1 Generally, all material (in whatever media) produced or obtained during the course of investigations subject to RIPA authorisation (whether authorised or not), should be processed, stored and destroyed in accordance with the requirements of the Data Protection Act 2018, General Data Protection Regulation (GDPR) (EU) 2016/679, the Freedom of Information Act 2000 and any other legal requirements, including those of confidentiality and the Council's policies and procedures regarding document retention. The following paragraphs give guidance on some specific situations, but advice should be sought from the Service Director: Legal and Community, or the Data Protection and Freedom of Information Officer where appropriate. All documents must be retained securely, and electronic copies of documents must be password protected.
- 11.4.2 Copies of the following documents must be retained securely in the departments. Original documents must be sent to the Senior Responsible Officer within 5 working days. They should be submitted in a sealed envelope marked "Confidential RIPA forms".
- The application and the authorisation together with any supplementary documentation and notification of the approval given by the Authorising Officer;
 - The application to the Magistrates' Court and any relevant approval/court order;

- A record of the period over which the surveillance has taken place;
- The frequency of reviews prescribed by the Authorising Officer;
- A record of the result of each review of the authorisation;
- Any renewal of an authorisation, together with the supporting documentation submitted when the renewal was requested and Magistrates' Court approval;
- The date and time when any instruction was given by the Authorising Officer.
- An electronic log is maintained centrally on a restricted public folder within G/drive. The Log is kept in a password-protected Excel spreadsheet, located in drive G/RIPA 2000/ RIPA Log. Only Authorising Officers can view it.
- The Council shall retain records for a period of at least 6 years from the ending of the authorisation. The Investigatory Powers Commissioner's Office (IPCO) can review the Council's policies and procedures and individual authorisations. The IPCO usually provide notice before an inspection but can arrive unannounced.

Copies of authorisations, renewals and cancellations are discoverable in legal proceedings. If proper records are not maintained, evidence gathered may be inadmissible.

11.5 Records Relating to the CHIS

11.5.1 All information obtained by the CHIS and by the officer responsible for recording the use of the CHIS should be recorded by means of a daily log. This should be in a format that gives an accurate and suitably detailed account of the events observed and conversations heard at particular times.

11.5.2 All information recorded in respect of authorisations, surveillance or the use of CHIS must only be disclosed for the purposes for which it was gathered at the time or for use in any future civil or criminal proceedings brought by or against the Council.

11.5.3 Records which reveal the name(s) of the CHIS should only be disclosed to persons to the extent that there is a need for access to them; if legally necessary; or if ordered by any Court.

11.5.4 When it is intended to employ a CHIS a record must be kept that records all the detail specified in Appendix 2. The officer in charge of maintaining a record of the use of each CHIS should record all these details. The way these records are kept is designed to try to keep the CHIS safe from discovery by the subjects and safe from any harm which could result from their disclosure and also to keep in the open any money or other benefits paid to a CHIS who is not an employee officer of an authorising body.

12. RECORDED MATERIAL OBTAINED DURING INVESTIGATIONS

12.1 Where recorded material (in any form or media) is obtained during the course of an investigation which might be relevant to that investigation, or another investigation, or to pending or future civil or criminal proceedings, then it should **not** be destroyed, but retained in accordance with the requirements of the Data Protection Act 2018, General Data Protection Regulation (GDPR) (EU) 2016/679, the Freedom of Information Act 2000, and any other legal

requirements, including those of confidentiality, and the Council's policies and procedures regarding document retention. Advice should be sought from the Senior Responsible Officer or the Information and Records Manager.

12.2 Where recorded material is obtained, which is not related to a criminal or other investigation or to any person who is the subject of the investigation, and there is no reason to suspect that it will be relevant to any future civil or criminal proceedings, it should be destroyed immediately.

12.3 Recorded Material obtained in the course of an investigation may be used in connection with investigations other than the one that the relevant authorisation was issued for. However, the use or disclosure of such material outside the Council, unless directed by any court order, should only be considered in exceptional circumstances and in accordance with advice from the Senior Responsible Officer.

12.4 Where recorded material obtained is of a confidential nature, then the following additional precautions should be taken:

- Confidential recorded material should not be retained or copied unless it is necessary for a specified purpose;
- Confidential recorded material should only be disseminated in accordance with legal advice that it is necessary to do so for a specific purpose;
- Confidential recorded material which is retained should be marked with a warning of its confidential nature. Safeguards should be put in place to ensure that such recorded material does not come into the possession of any person where to do so might prejudice the outcome of any civil or criminal proceedings;
- Confidential recorded material should be destroyed as soon possible after it is used for the specified purpose.
- Confidential recorded material should be made available for the IPCO at the time of any Inspection.

12.5 If there is any doubt as to whether material is of a confidential nature, advice should be sought from the Senior Responsible Officer.

12.6 The Authorising Officer must ascertain what material has been obtained by the use of directed surveillance. The Authorising Officer should comment on the material and how it is to be managed or used thereafter. If the matter is not proceeding to a prosecution, the Authorising Officer must be satisfied that any material has been securely destroyed.

13. SOCIAL NETWORKING SITES

13.1 Where privacy settings are available but not applied the data available on Social Networking Sites may be considered 'open source' and an authorisation is not usually required.

13.2 Repeat viewing of 'open source' sites, however, may constitute directed surveillance on a case by case basis and this should be borne in mind e.g. if someone is being monitored through, for example, their Facebook profile for a period of time and a record of the information is kept for later analysis, this is likely to require a RIPA authorisation for directed surveillance.

- 13.3 To avoid the potential for inadvertent or inappropriate use of social network sites in investigative and enforcement roles, Council Officers should be mindful of any relevant guidance and the Council's separate policy regarding the use of Social Networking Sites: Conduct of Investigations.
- 13.4 The Home Office Revised Code of Practice on Covert Surveillance and Property Interference, published in August 2018, provides the following guidance in relation to online covert activity:

'The growth of the internet, and the extent of the information that is now available online, presents new opportunities for public authorities to view or gather information which may assist them in preventing or detecting crime or carrying out other statutory functions, as well as in understanding and engaging with the public they serve. It is important that public authorities are able to make full and lawful use of this information for their statutory purposes. Much of it can be accessed without the need for RIPA authorisation; use of the internet prior to an investigation should not normally engage privacy considerations. But if the study of an individual's online presence becomes persistent, or where material obtained from any check is to be extracted and recorded and may engage privacy considerations, RIPA authorisations may need to be considered. The following guidance is intended to assist public authorities in identifying when such authorisations may be appropriate.

The internet may be used for intelligence gathering and/or as a surveillance tool. Where online monitoring or investigation is conducted covertly for the purpose of a specific investigation or operation and is likely to result in the obtaining of private information about a person or group, an authorisation for directed surveillance should be considered, as set out elsewhere in this code. Where a person acting on behalf of a public authority is intending to engage with others online without disclosing his or her identity, a CHIS authorisation may be needed (paragraphs 4.10 to 4.16 of the Covert Human Intelligence Sources code of practice provide detail on where a CHIS authorisation may be available for online activity).

In deciding whether online surveillance should be regarded as covert, consideration should be given to the likelihood of the subject(s) knowing that the surveillance is or may be taking place. Use of the internet itself may be considered as adopting a surveillance technique calculated to ensure that the subject is unaware of it, even if no further steps are taken to conceal the activity. Conversely, where a public authority has taken reasonable steps to inform the public or particular individuals that the surveillance is or may be taking place, the activity may be regarded as overt and a directed surveillance authorisation will not normally be available.

As set out below, depending on the nature of the online platform, there may be a reduced expectation of privacy where information relating to a person or group of people is made openly available within the public domain, however in some circumstances privacy implications still apply. This is because the intention when making such information available was not for it to be used for a covert purpose such as investigative activity. This is regardless of whether a user of a website or social media platform has sought to protect such information by restricting its access by activating privacy settings.

Where information about an individual is placed on a publicly accessible database, for example the telephone directory or Companies House, which is

commonly used and known to be accessible to all, they are unlikely to have any reasonable expectation of privacy over the monitoring by public authorities of that information. Individuals who post information on social media networks and other websites whose purpose is to communicate messages to a wide audience are also less likely to hold a reasonable expectation of privacy in relation to that information.

Whether a public authority interferes with a person's private life includes a consideration of the nature of the public authority's activity in relation to that information. Simple reconnaissance of such sites (i.e. preliminary examination with a view to establishing whether the site or its contents are of interest) is unlikely to interfere with a person's reasonably held expectation of privacy and therefore is not likely to require a directed surveillance authorisation. But where a public authority is systematically collecting and recording information about a particular person or group, a directed surveillance authorisation should be considered. These considerations apply regardless of when the information was shared online.'

14. TRAINING

- 14.1 Training on RIPA and the procedures set out in this policy document will be given or authorised by the Service Director: Legal and Community. Any officer who wishes to undertake surveillance or employ a CHIS and all Authorising Officers must receive and maintain suitable training before signing any RIPA authorisations.
- 14.2 A Central Register of all officers who have received training on RIPA will be maintained by the Service Director: Legal and Community.
- 14.3 As part of the periodic review of this Policy and Procedures the Senior Responsible Officer will determine any ongoing training needs both for Authorising Officers and applicant officers. Refresher courses will be held as necessary.
- 14.4 The responsibility for ensuring that staff receive appropriate training in connection with RIPA lies with Service Directors.
- 14.5 The purpose of the training will be to ensure that both applicant and Authorising Officers are not only familiar with the law governing RIPA regulated activities, but also receive practical advice on the making and consideration of applications. In particular the training will be aimed at familiarising officers with the evidence that is needed to show that a covert operation is necessary, proportionate and likely to be conducted in a manner that will minimise collateral intrusion.
- 14.6 The training will also emphasise the need for Authorising Officers to state clearly the nature of the covert activity that they are authorising and the parameters of that activity i.e. what, where, when, how and against whom.
- 14.7 The importance of setting and observing review, cancellations and renewal dates will form part of the training.
- 14.8 The Senior Responsible Officer will invite pertinent officers to a biannual forum to discuss RIPA and issues relating to enforcement. The forum should aim to benchmark best practice.

15. ELECTED MEMBER INVOLVEMENT

15.1 Two new Codes of Practice came into effect on 6 April 2010:

- Regulation of Investigatory Powers (Covert Human Intelligence Source: Code of Practice) Order 2010
- Regulation of Investigatory Powers (Covert Surveillance and Property Interference: Code of Practice) Order 2010

15.2 The Codes of Practice state that elected members should:

- Set the RIPA policy at least once a year
- Review the local authority's use of RIPA
- Consider internal reports on the use of RIPA on at least a quarterly basis

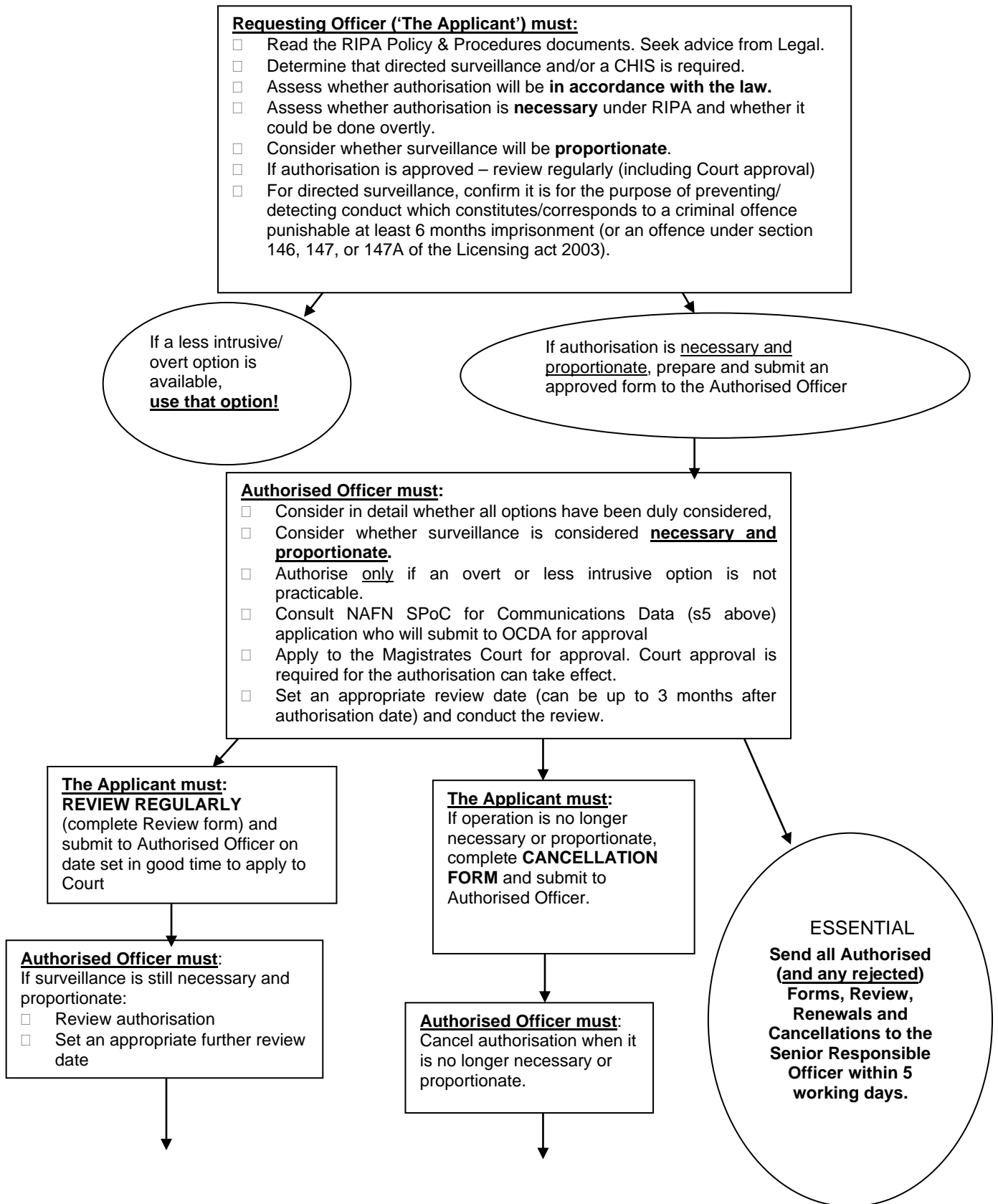
15.3 The Terms of Reference for Cabinet in the Council's Constitution state that Cabinet is:

"To prepare and agree to implement policies and strategies other than those reserved to Council."

The setting of the RIPA policy annually is therefore a role for Cabinet. The Partnerships Scrutiny Sub Committee will consider the Policy annually and make recommendations to Cabinet.

15.4 The requirement for members to review the local authority's use of RIPA and consider internal reports on the use of RIPA on at least a quarterly basis is to be undertaken by the Overview and Scrutiny Committee in accordance with the terms of reference for that Committee contained in the Council's constitution.

FLOW CHART OF RIPA PROCESS



- Send all Quarterly Returns to the Service Director: Legal and Community's PA.
- The Codes of Practice state that elected members should:
 - Set the RIPA policy at least once a year
 - Review the local authority's use of RIPA
 - Consider internal reports on the use of RIPA on at least a quarterly basis (these are covered by in a Member Information Note or other appropriate notification).

APPENDIX B

AUTHORISING OFFICERS AND RESPONSIBLE OFFICERS

RIPA Authorising Officers	Head of Paid Service, or in their absence someone acting as a Deputy Service Director: Place, Service Director: Customers, Service Director: Regulatory
Authorising operations where confidential information may be obtained	Head of Paid Service only
CHIS Authorising Officer	Head of Paid Service only
CHIS Controller/Handler	Service Director: Place Service Director: Customers Service Director: Regulatory
Senior Responsible Officer	Service Director: Legal and Community and Monitoring Officer
RIPA Co-ordinating Officer	PA to Service Director: Legal and Community

Please note:

- Where use of a CHIS is authorised, the head of the directorate carrying out the activity shall usually act as the CHIS Handler, with the CHIS Controller role being allocated by the Head of Paid Service.
- Authorising Officers must be “an assistant chief officer or investigations manager” or above.
- The Authorising Officers should not be directly involved in the investigation.

**Cabinet
14 March 2023**

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: LEISURE MANAGEMENT CONTRACT PROCUREMENT

REPORT OF: THE SERVICE DIRECTOR - PLACE

EXECUTIVE MEMBER: ENVIRONMENT & LEISURE: CLLR STEVE JARVIS

COUNCIL PRIORITY: A BRIGHTER FUTURE TOGETHER

1. EXECUTIVE SUMMARY

1.1 This report seeks the authority to proceed with a Competitive Procedure with Negotiation (CPN) procurement for the Leisure Management contracts which are due to expire in March 2024.

2. RECOMMENDATIONS

2.1 To approve a Competitive Procedure with Negotiation (CPN) procedure for the procurement of the Leisure Management contract.

2.2 To approve the delegation of powers to the Director of Place in consultation with project board, in relation to decisions associated with the development of the procurement strategy.

2.3. To approve letting a 10-year contract with an option to extend by up to 5 years.

2.4 To approve combining the existing three contracts into a single contract, using the nationally recognised Sport England contract format, in order to secure economies of scale and to attract the most interest from the operator market.

2.5 To continue with the principle of the existing contractual shared risk approach to utilities and maintenance.

3. REASONS FOR RECOMMENDATIONS

3.1 Our leisure management contracts expire on 31 March 2024. These recommendations ensure the procurement will be managed effectively to ensure the successful ongoing provision of leisure services in North Herts. The procurement offers an opportunity to review the existing specification and provide a clear policy position on its approach to the future delivery of sport, leisure, physical activity and wellbeing services across the district.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. Other procurement options to Competitive Procedure with Negotiation have been considered, such as competitive dialogue and restrictive tenders, however CPN is the most common procedure used for leisure procurements, allows us some flexibility to test scenarios through the use of variant bids and also is achievable within our timeframes.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1. On 1 February 2023, an Active North Herts online survey to residents, schools and sports groups was launched for a period of three weeks. The survey asked people to share information on their sport/physical activity facilities, and the types of opportunities and challenges they experience for children and young people to be active.
- 5.2. The findings will provide a better understanding of the barriers faced by people who wish to be more active and the opportunities to overcome these and help develop the new Active North Herts Strategy. A stakeholder workshop was also held on 3 March with cross party councillors and other partners. The strategic outcomes from the strategy will in turn help inform the procurement objectives and specification.
- 5.3. A project board has been established for consultation on the design of the specification and procurement 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 13 February 2023.

7. BACKGROUND

- 7.1. The Council's current leisure management contracts are made up of three contracts.
- Hitchin - Hitchin Swimming Centre including the Outdoor Pool and Archers Fitness
 - Letchworth - North Herts Leisure Centre, Letchworth Outdoor Pool and Fearnhill Sports Centre
 - Royston - Royston Leisure Centre
- 7.2. Leisure continues to make a positive recovery from the Covid-19 pandemic with activity exceeding recovery forecasts. Current usage data shows that across all three North Herts sites, casual swimming, Aqua Ed, sports halls and clubs are above pre-pandemic levels. However, fitness memberships are slightly behind pre-pandemic levels and overall revenue generated from the leisure centres remains below that achieved prior to the pandemic.
- 7.3. The current leisure contracts are operated by Stevenage Leisure Limited (SLL) and are due to expire on 31 March 2024 and therefore need to be procured.

7.4. The proposed timeline for the procurement of the contract arrangement is shown below.

Workstream	Date
Procurement Strategy	By mid March
Develop Tender Documents	By mid April
Contract Notice	w/c 24 April
Selection Questionnaire Submissions	w/c 22 May
Initial Tender Submissions	w/c 28 August
Negotiation with Bidders	w/c 25 Sept
Revised Tender Submissions	w/c 20 Nov
Evaluation	December
Contract Award	Mid Jan
Mobilisation	Mid Jan – Mar
Contract Start	1 April 24

7.5. The Council is developing a new Active North Herts Strategy which will provide the Council and its stakeholder partners with a clear policy position on its approach to the future delivery of sport, leisure, physical activity and wellbeing services across the district. The outputs from this strategy will feed into the procurement and help define the strategic direction for the service moving forwards. As mentioned in 5.1 and 5.2 above.

7.6. A project was initiated using the council's project management processes and a project board has been set up to oversee the management of the project and consider decisions related to the procurement strategy. The project board includes senior officers and the Executive Member for Environment and Leisure, Cllr Steve Jarvis and Cllr Ian Albert, Executive Member for Finance and IT. The Service Director – Place will act as Project Executive and therefore it is recommended that decisions related to the procurement strategy and service specification be delegated to the Service Director Place, in consultation with the project board.

8. RELEVANT CONSIDERATIONS

8.1 Leisure management contracts are typically 10+ years with the option to extend for a further five years. Longer term contracts can generate a better management fee as operators see the opportunity to grow income streams over a longer period.

8.2 In order to secure economies of scale and to attract the most interest from the operator market, it is proposed to use the nationally recognised Sport England contract format to combine these into a single contract document.

8.3 CPN is recommended for the procurement because it will provide:

- A clearly defined scope of services
- A clearly defined services specification, with some aspects for negotiation
- Flexibility to test different scenarios through variant bids before specifying its final requirements
- Sufficient time within the programme

CPN is the most commonly used procedure for procuring new leisure contracts and is therefore a familiar and favoured route for operators.

8.4 The existing contract takes a shared risk approach to the costs of utilities. The Contractor is responsible for all energy consumption. However, in the event that utility base rates increase greater than inflation, in any single year, the Council will amend the management fee to address this. Due to the volatility of the energy market, contractors are reluctant to adopt a full risk approach to energy costs and may unfavourably price our contract, or not bid on this basis. Therefore, it is recommended to continue with a shared risk approach. Potential options on how this will be calculated will be investigated for the new contract. This may need to include a payment back to the Council if utility rates go down.

8.5 The existing contract takes a shared risk approach to the cost of maintenance. The Contractor is liable for the maintenance, repair, replacement or refurbishment, of any single item of equipment up to the value of £7,000. The Council is responsible for any costs in excess of the limit stated. It is recommended that this shared approach to risk is continued for the new contract, however options for how this will be calculated will be considered as part of the development of the procurement documentation.

9. LEGAL IMPLICATIONS

9.1. Cabinet TOR states at 5.6.36 that Cabinet may exercise the following function by resolution; *“To determine those procurement matters reserved to Cabinet by the Contract Procurement Rules.”* The Contract Procurement Rules state at 12.4 that *“the approval of Cabinet must be obtained in advance if this method is selected.”*

9.2. The proposed Leisure Centre contract falls within the definition of a ‘public services contract’ under the Public Contracts Regulations 2015 (‘PCR 2015’) and is above the procurement threshold for services. As such, the procurement is subject to the full application of the procurement rules under PCR 2015.

9.3 It is proposed to use the Competitive Procedure with Negotiation (CPN) for the procurement of the Leisure Centre Contract. The CPN is a specific legislative procurement route set out in the PCR 2015 which allows contracting authorities to negotiate with bidders on various aspects of the procurement.

9.4 Use of this procedure is restricted to the circumstances set out in the PCR 2015, namely:

- Where needs cannot be met without adaptation of readily available solutions;
- Where the works, services or supplies include design or innovative solutions;

- Where the contract cannot be awarded without prior negotiation because of the nature of the requirement, the complexity of its legal and financial make-up or because of its risks;
- Where the technical specifications cannot be established with sufficient precision with reference to particular standards; and
- In the case of where only unacceptable/irregular tenders have been submitted in an open or restricted procedure.

9.5 In order to use the CPN procedure for the procurement of the Leisure Centre Contract, the Council must establish that the procurement of the services falls within one of the grounds above. The justification for use of the CPN procedure is set out in paragraphs 8.1 – 8.5 of this report.

10. FINANCIAL IMPLICATIONS

10.1. Prior to Covid, the Council was receiving an annual management fee from SLL circa £800K. Due to recovery of leisure services not being at pre-pandemic levels and a significant increase in utility costs, there is a risk that the management fee will not meet pre covid levels. Potential options for capital investment in the leisure portfolio which in turn increase the revenue to the council will be tested during the procurement process. This risk has been highlighted in the Council's Medium Term Financial Strategy and Budget reports.

10.2. The Council's capital programme includes significant investment in our leisure facilities. An early part of the contract process is to carry out a condition survey on the leisure centres. This may identify further capital works that are required.

11. RISK IMPLICATIONS

11.1 There is a risk that if the existing three contracts are not merged into one using the Sport England template, that the contract is not considered favourable by the market.

11.2 There is a risk that due to volatility in energy markets that the council will be faced with significant financial liabilities, due to the shared risk approach to utilities. However, this will in part be mitigated by plans to install solar PV and solar thermal technology at the leisure facilities.

11.3 A risk log will be maintained as part of the project management process.

12. EQUALITIES IMPLICATIONS

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

12.2 There are no direct equality implications from this decision. The Sport England standard contract sets out very clear Equality requirements (schedule 20) which are based on the requirements of the Equality Act 2010.

13. SOCIAL VALUE IMPLICATIONS

- 13.1 As the recommendations in the report relate to a contract above the WTO GPA threshold, Social Value will be included by an evaluation model allocating a percentage weighting for social value. This will result in a sufficiently high consideration of social value at tendering. The percentage weighting will be 10%
- 13.2 The Social Value Portal may be used to qualify and quantify the social value benefits for this procurement if it has been implemented and correlates with the procurement timetable. If it has not, social value considerations will still be incorporated with reference to strategic themes, measures and outcomes, proportionate to this Leisure Management procurement.

14. ENVIRONMENTAL IMPLICATIONS

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

15. HUMAN RESOURCE IMPLICATIONS

- 15.1 A procurement of this size will have considerable resource implications across a range of teams. Meetings and evaluation periods will be planned into diaries well in advance to ensure resource can be appropriately managed, Consultants and specialist lawyers have also been commissioned to assist with the procurement process.
- 15.2 Should TUPE (Transfer of Undertakings Protection of Employment) apply, the TUPE process will be managed in line with current legislation. If other HR issues arise these will be managed under North Herts Councils policies and procedures.

16. APPENDICES

- 16.1 None

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18. BACKGROUND PAPERS

18.1 None

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