

NORTH HERTFORDSHIRE DISTRICT COUNCIL



17 January 2024

Our Ref Council 25 January 2024
Contact. Committee Services
Direct Dial. (01462) 474655
Email. committee.services@north-herts.gov.uk

To: The Chair and Members of North Hertfordshire District Council

NOTICE IS HEREBY GIVEN OF A

MEETING OF THE COUNCIL

to be held in the

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

on

THURSDAY, 25TH JANUARY, 2024

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 - 23 NOVEMBER 2023 To take as read and approve as a true record the minutes of the meeting of the Committee held on the 23 November 2023.	5 - 12
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. QUESTIONS FROM MEMBERS

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

7. NOTICE OF MOTIONS

13 - 20

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

8. ITEMS REFERRED FROM OTHER COMMITTEES

To consider any items referred from other Committees. Any items referred to this meeting will be published as a supplementary document.

**9. REVIEW OF MEMBERS ALLOWANCES SCHEME 2024/25
REPORT OF THE DEMOCRATIC SERVICES MANAGER**

21 - 48

To agree the Member's Allowances Scheme 2024/2025 having taken into account the recommendations of the Independent Remuneration Panel ('IRP').

**10. COUNCIL TAX REDUCTION SCHEME 2024/2025
REPORT OF THE SERVICE DIRECTOR – CUSTOMERS**

49 - 58

To approve the Council Tax Reduction Scheme (CTRS) for North Hertfordshire for 2024/2025.

**11. Q2 INVESTMENT STRATEGY (INTEGRATED CAPITAL AND TREASURY)
MONITORING
REPORT OF THE SERVICE DIRECTOR – RESOURCES**

59 - 88

To update Council on progress with delivering the capital and treasury strategy for 2023/24, as at the end of September 2023.

**12. CONSTITUTIONAL AMENDMENT REPORT - DEFERRED FROM 23
NOVEMBER 2023
REPORT OF THE SERVICE DIRECTOR – LEGAL AND COMMUNITY.**

89 - 110

This report covers proposed:

- Changes to section 8 Planning Control Committee's Terms of Reference:
- Removal of Appendices 1-2 to Section 8, with these to be incorporated in a new Procedure document (Appendix A), with the aim of addressing issues that have arisen during the last year.
- Minor change to section 14 delegations for some Service Directors – regarding attestation of the Common seal.

N.B this item has been deferred from the Council meeting of 23 November 2023 (see 246) and subsequently the Area Forum recommendation 2.6, for noting, has been dealt with by Delegated Decision 6 December 2023 and

therefore removed from this version of the earlier report.

Public Document Pack Agenda Item 2

NORTH HERTFORDSHIRE DISTRICT COUNCIL

MINUTES

Meeting of the Council held in the Council Chamber, District Council Offices, Gernon Road,
Letchworth
on Thursday, 23rd November, 2023 at 7.30 pm

PRESENT: Councillors: Daniel Allen (Chair), Chris Lucas (Vice-Chair), Ian Albert, Amy Allen, David Barnard, Matt Barnes, Clare Billing, Simon Bloxham, Ruth Brown, Val Bryant, Sam Collins, Mick Debenham, Elizabeth Dennis, James Denselow, Dominic Griffiths, Terry Hone, Keith Hoskins, Steve Jarvis, David Levett, Ian Mantle, Nigel Mason, Bryony May, Ian Moody, Gerald Morris, Ralph Muncer, Michael Muir, Lisa Nash, Sean Nolan, Louise Peace, Sean Prendergast, Claire Strong, Mandi Tandi, Richard Thake, Tamsin Thomas, Tom Tyson, Phil Weeder, Michael Weeks, Alistair Willoughby, Dave Winstanley and Daniel Wright-Mason

IN ATTENDANCE: Ian Couper (Service Director - Resources), Susan Le Dain (Committee, Member and Scrutiny Officer), Tom Marsh (Electoral Services Manager), Callum Reeve (Democratic Services Apprentice), Anthony Roche (Managing Director), Jeanette Thompson (Service Director - Legal and Community) and Sjanet Wickenden (Committee, Member and Scrutiny Officer)

ALSO PRESENT: At the commencement of the meeting approximately XX members of the public, including registered speakers.

237 APOLOGIES FOR ABSENCE

Audio recording – 1 minute 39 seconds

Apologies for absence were received from Councillors Chris Hinchliff, Daniel Marsh, Terry Tyler, Cathy Brownjohn, Faye Frost, Tom Plate, Juan Cowell, Adam Compton and Raj Bhakar.

N.B. Councillors Sean Prendergast and Chris Lucas entered the Council at 19.32

238 MINUTES - 28 SEPTEMBER 2023

Audio Recording – 2 minutes 20 seconds

RESOLVED: That the Minutes of the Meeting of the Committee held on 28 September 2023 be approved as a true record of the proceedings and be signed by the Chair.

239 NOTIFICATION OF OTHER BUSINESS

Audio recording – 3 minutes 14 seconds

There was no other business notified.

240 CHAIR'S ANNOUNCEMENTS

Audio recording – 3 minutes 22 seconds

- (1) The Chair advised that, in accordance with Council Policy, the meeting would be audio recorded.
- (2) Members were reminded that this Council had declared a Climate Emergency. This was a serious decision and meant that, as this was an emergency, all of us, officers and Members had that in mind as we carried out our various roles and tasks for the benefit of our District.
- (3) The Chair drew attention to the item on the agenda front pages regarding Declarations of Interest and reminded Members that, in line with the Code of Conduct, any Declarations of Interest needed to be declared immediately prior to the item in question.
- (4) The Chair advised that the normal procedure rules in respect of debate and times to speak will apply.
- (5) The Chair advised that 4.8.23(a) of the Constitution did not apply to this meeting. A comfort break would be held at an appropriate time, should proceedings continue at length.
- (6) The Chair advised that tickets were now available to purchase for the Chair's Civic Event and Awards 2024, being held on Friday 1 March 2024.

241 PUBLIC PARTICIPATION

Audio recording – 6 minutes 0 seconds

There was no public participation at this meeting.

242 QUESTIONS FROM MEMBERS

Audio recording – 6 minutes 7 seconds

In accordance with Standing Order 4.8.11, one question had been submitted by the required deadline set out in the Constitution.

(A) **Health and Care Services in Royston**

Councillor Matt Barnes to Councillor Elizabeth Dennis (Leader of the Council).

"Following the Health and Care Act last year, NHS health and care services in Royston and surrounding villages have fallen under the remit of the Cambridgeshire and Peterborough Integrated Care System.

Please could the Leader update Members on the nature of any communications which have taken place between Council representatives and the Integrated Care Board – or the Integrated Care Partnership – since July 2022, on behalf of the residents of Royston?"

Councillor Elizabeth Dennis gave a response as follows:

"I think we have the bizarre situation that the alphabet soup end of whatever happens when the NHS is reorganised resulted in the anomaly of part of this district falling under a different integrated care system as a result of the way that care and commissioning works in that part of the NHS. So, I think firstly, it is important to note the reasons why Royston doesn't sit as part of the Hertfordshire and West Essex integrated care system. In terms of the specifics of

the question, the Director for Housing and Environmental Health has been in communication with the Chief Office Partnerships and Strategies of the Cambridgeshire and Peterborough ICS and she is also aware that the Cambridgeshire and Peterborough ICS invited Herts and West Essex to work with them regarding the community engagement exercise that was carried out in Royston, which I know colleagues from across multiple parties have been really active on trying to encourage residents to engage with us to ensure that their voices and feedback are heard as part of the survey and focus groups which were run over the summer. These exercises will help inform a strategic fit document that will be produced by Cambridgeshire and Peterborough ICS, and we hope that will include an exercise around older adults and enhanced mental health and wellbeing support currently being funded actually by our Hertfordshire County Council's public health department. Colleagues will be aware of certain examples that have been funded via that part. For example, the men's health clubs that he been pioneered at Royston Leisure Centre. North Herts Council doesn't deliver any services directly from NHS own sites in Royston, but as I have indicated there is close working between health and care partners which does need to continue to ensure the high-quality services for residents across the district and just because Royston is not included within the Herts and West Essex's ICS doesn't mean that that body is failing to consider the needs of those residents either. In fact, at a meeting of the integrated care partnership this afternoon in Stevenage, I raised the point in respect of Royston with health colleagues and they are continuing to work jointly with colleagues in Cambridge and Peterborough. The Heartlands West Essex's ICB and ICS is significantly further ahead in terms of its development and strategy implementation than colleagues in Cambridge and Peterborough as well, so is ideally placed to help support the infrastructure that is over the border and I hope we can continue to work together to make sure that every single person in this district is supported and does have a voice when it comes down to their health".

Councillor Barnes asked a supplementary question, as follows:

"How will the Leader ensure that the views of Royston's residents will be listened to and their needs will be addressed?"

Councillor Dennis responded:

"I sit on the integrated care partnership and will continue to champion the needs of all residents in the Herts and West Essex space. As I said the Director of Housing and Environmental Health is also in communication with the Chief Officer at Cambridge and Peterborough as well, so we be continuing that ongoing work and continuing to lobby and ensure that people in Royston are represented. I think that all of us are acutely aware of the crisis in primary care within the NHS not just in this district, but across the entire country. I think there are things that this Council can continuing doing. I know that some Councillors in Royston have been working particularly hard around ensuring that certain NHS built assets like the Royston hospital are retained for public use and might potentially be utilised should the Cambridge and Peterborough ICS be minded to provide local primary services, such as a health hub, in the community and we all continue to work with our colleagues cross party and across all systems including the two ICSs covering the district and the county council to make sure that everybody is adequately represented. There are also creative things that we in local government are able to do to help support the health needs of our residents. Let's not forget that we are able to provide safe homes, active communities, opportunities for leisure and healthy activity. We already have healthy hub that we provide, I have referenced the men's club. There is outdoor gym that we have in place. So, this council is doing a considerable amount of work to support the health of all residents across the district, and we will keep on doing that".

243 NOTICE OF MOTIONS

Audio recording – 12 minutes 57 seconds

There were no motions received from Members for this meeting.

244 ITEMS REFERRED FROM OTHER COMMITTEES

Audio recording – 13 minutes 5 seconds

The Chair advised that the referral from Cabinet would be taken with the respective item on the agenda.

245 REVIEW OF POLLING DISTRICTS, POLLING PLACES AND POLLING STATIONS

Audio recording – 13 minutes 16 seconds

The Electoral Services Manager presented the report 'Review of Polling Districts, Polling Places and Polling Stations' and advised that:

- It was legal requirement for the Council to carry out a full review every five years.
- The Council needed to designate polling districts so all election types could be delivered.
- The review must account for boundary changes at both parliamentary and local elections.
- The review must be concluded in time for the publication of revised Register of Local Electors on 1 December 2023, to ensure there are functioning polling districts for the local elections in 2024 and the next General Election.
- The changes in the Elections Act 2022 had put extra pressure on the elections team.

The following Members asked questions:

- Councillor David Barnard
- Councillor Ruth Brown
- Councillor Tamsin Thomas
- Councillor David Levett
- Councillor Elizabeth Dennis
- Councillor Daniel Wright-Mason

In response to questions, the Electoral Services Manager stated that:

- The elections team had consulted with Ward Councillors in Langley about the relocation of their polling station to a neighbouring parish.
- Interim reviews could be carried out in between the five-year review in a change of circumstance.
- Roughly 10% of the electorate of North Herts District would be impacted by polling station changes and these were mainly in urban areas, not rural.
- Polling cards would have the name and address of the new polling station clearly marked where there had been a change of location.
- The elections team would use social media and also the website for publicity of changes and they would also send SMS messages if the contact information was held for voters.
- The elections team would arrange for a notice to be put up on the door of an existing polling station ahead of an election, stating that it was no longer being used and providing details of the change of address.
- Consideration of residents with mobility needs had been taken in to account when decisions were made to change a polling station.
- Training would be provided to polling clerks and they would be able to assist voters who turn up at the wrong polling station.

The following Members took part in the debate:

- Councillor Terry Hone
- Councillor Nigel Mason

Points raised in the debate included:

- The Willian Village Hall would be retained as the polling station for Willian.
- The change of polling station for Oughton Ward and Priory Ward in Hitchin was a good solution which was practical and would work well.
- This year would see lots of changes with new polling districts and new polling stations for many people, who were now able to vote for 2 or 3 candidates if they wished and also the introduction of the new voter ID requirement.
- Electoral Services would keep Members informed and would provide any support to Members if required.

Councillor Alistair Willoughby proposed and Councillor Ruth Brown seconded and, following a vote, it was:

RESOLVED: That Council designated the Polling Districts and Polling Places as per the Returning Officer's Proposals attached as Appendix A to the submitted report, effective as of 1 December 2023.

REASONS FOR DECISION:

- (1) The Electoral Registration and Administration Act 2013 introduced a change to the timing of compulsory reviews of UK Parliamentary Polling Districts and Polling Places. The next compulsory review was required to commence and conclude between 1 October 2023 and 31 January 2025 (inclusive).
- (2) However, as the Local Government Boundary Commission for England had implemented new district ward boundary arrangements for elections in May 2024, the Polling Districts, Polling Places and Polling Stations needed to reflect these new boundaries in the Register of Electors published annually on 1 December.

246 CONSTITUTIONAL AMENDMENT REPORT

Audio recording – 30 minutes 16 seconds

The Chair advised that due to the large number of amendments received, which had not been notified to the whole Membership, he decided to defer this item to the next meeting of Full Council in January 2024.

247 MEDIUM TERM FINANCIAL STRATEGY 2024-29

Audio recording – 33 minutes 38 seconds

Councillor Ian Albert presented the referral from Cabinet and the report entitled 'Medium Term Financial Strategy' and advised that:

- This was an important document that sets out the importance of plans for the medium term period.
- The medium term budget position and how the funding gap would be addressed was set out in Appendix A.
- The strategy set out the way existing services were maintained and the challenges going forward.
- There were pressures on the budget going forward and retendered contract costs may add to these pressures.
- The general fund was strong which gave the ability to deliver and balance the budgets by 2028-29.

In response to a question from Councillor Terry Hone, Councillor Ian Albert advised that the Council continue to consult with residents, on ways to address the funding gap and make decisions at the right time. Any proposals on commercial activity would be announced when formal proposals had been finalised, with the input from Overview and Scrutiny Committee as required, before presenting to Full Council for consideration.

As part of the debate, Councillor Ralph Muncer highlighted the cost implications for the Council if there were statutory or legislative changes. He noted it was important that any proposals were communicated effectively with both Members and residents and note the importance of the Overview and Scrutiny and Finance, Audit and Risk Committees in having oversight of any proposals.

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

RESOLVED: That Council adopted the Medium Term Financial Strategy, as attached at Appendix A.

REASON FOR DECISION: Adoption of a MTFs and communication of its contents will assist in the process of forward planning the use of Council resources and in budget setting for 2024/2025 to 2028/2029, culminating in the setting of the Council Tax precept for 2024/25 in February 2024. This will (alongside the existing Council Plan) support the Council in setting a budget that is affordable and aligned to Council priorities.

248 USE OF URGENCY IN RELATION TO CALL-IN FOR DECISION ON BUSINESS RATE POOLING

Audio recording – 56 minutes 5 seconds

N.B. Ahead of this item, there was a break in proceedings and the meeting reconvened at 20.25.

The Service Director - Resources, presented the report 'Use of Urgency in Relation to Call-In for Decision on Business Rate Pooling' and advised that:

- The urgency provision was due to the timing of the information required and the deadline for submitting the pooling application.
- The Constitution required that use of this urgency provision in relation to call-in be reported to the next meeting of Council.

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

RESOLVED: That Council noted the use of urgency provisions in relation to the Business Rate Pooling decision made on 9 October 2023.

REASON FOR DECISION: There were forecast significant gains for the Council from being part of a Business Rates Pool. The risks were considered to be low.

249 ELECTORAL SERVICES - SCALE OF FEES 2024/25

Audio recording – 58 minutes 7 seconds

N.B. The Service Director - Legal and Community, left the Chamber for this item due a conflict of interest being the Deputy Returning Officer for the Council.

The Service Director - Resources, presented the report 'Electoral Services – Scale of Fees 2024/25, and advised that:

- The report showed various fees which needed to be set for the elections in 2024-2025.
- Comments on the feedback where fees needed to be changed was detailed in Section 8.
- The rates for Poll Clerk, Porter, Administration and Canvassers would be set at £12.83 to be in line with the latest increase in the national living wage plus holiday pay percentage to ensure compliance with legislation.
- The scale of fees for uncontested elections in Parish, Community and Town Councils was detailed in Section 11 of Appendix A.
- Feedback for Parish, Town and Community Councils on proposals to introduce uncontested election fees was covered in Appendix B.

In response to a question from Councillor Dominic Griffiths, the Service Director – Resources stated that this was an annual report which sets fees for the coming year and is repeated each year.

As part of the debate Councillor Ralph Muncer noted that often rural residents felt left behind by the District Council and had to pay additional Council Tax to cover the Parish precept. Councillor Muncer noted that District Councils had a statutory responsibility to provide elections and the related administration costs and therefore these costs should be borne by the District Council.

In response to a question from Councillor David Levett, the Electoral Services Manager advised that Parish Council elections are spread out across three years, so were not all up for election at the same time.

Councillor Peace advised the Committee of a comment that she had received late from Holwell Parish Council which was not included in the paper. This was that Holwell had not had a contested election for many years and that the fee sounded rather high for a Parish Council of their size.

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

RESOLVED: That Council agreed the Scale of Fees for 2024/25 as set out in Appendix A to include the following amendments:

- Section 11 of Appendix A was updated to ‘Uncontested Parish, Town and Community Council Elections.’
- The rates for Poll Clerk, Porter, Administration and Canvassers to be set at £12.83 per hour.

REASON FOR DECISION: To enable the Council to remunerate the Returning Officer and the staff employed to carry out tasks during electoral events and to be open and transparent regarding other payments.

The meeting closed at 8.36 pm

Chair

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**COUNCIL
25 JANUARY 2024**

PUBLIC DOCUMENT

TITLE OF REPORT: NOTICE OF MOTIONS UNDER STANDING ORDER 4.8.12

The following motion has been submitted, due notice of which has been given in accordance with Standing Order 4.8.12.

Anti Luton-Airport Expansion Motion:

Council notes that on 13th of October, The Parliamentary- Under Secretary of State for Local Government and Building Safety, Lee Rowley, on behalf of the Secretary of State for Levelling Up, Housing and Communities and The Parliamentary- Under Secretary of State for Roads and Local Transport, Richard Holden MP, on behalf of the Secretary of State for Transport gave their approval for London Luton Airport Operations Ltd. (LLAOL) to expand from its current 18m passengers per annum to 19m passengers per annum.

We, the members of North Hertfordshire Council, express our firm opposition to this decision and to the further expansion of Luton Airport, currently being examined by National Infrastructure Planning, to 32m passengers per annum for the following reasons:

1. Environmental Concerns:

- a. The additional air traffic resulting from this expansion will contribute to poor air quality, posing significant health risks to residents; especially children, the elderly and individuals with respiratory conditions.
- b. Aviation is widely recognised as both one of the most carbon-intensive forms of transport and one of the most difficult to decarbonise. This means that aviation could well be the largest contributor to UK greenhouse gas emissions by 2050^{1,2}, particularly if demand continues to grow. Expansion of Luton Airport will lead to an increase in these emissions, further accelerating climate change, and violating our local and national sustainability goals. This is in direct conflict with NHC's Air Quality Action Plan (as published in February 2018) and our efforts to improve air quality and combat climate change.
- c. This expansion will inevitably lead to the destruction of natural habitats and green spaces. The loss of these areas not only harms local wildlife but also diminishes the overall quality of life for residents who rely on these spaces for recreation and relaxation.

2. Noise Pollution:

- a. The expansion of the airport will undoubtedly lead to increased noise pollution, disrupting the peace and tranquillity of our neighbourhoods. This will have adverse effects on the mental health and physical well-being of our residents, particularly those living within close proximity to the airport.
- b. Sleep disturbance, stress, and potential damage to children's educational outcomes are associated with increased noise pollution.

3. Traffic Congestion:

- a. Expansion at Luton Airport will lead to an increased number of both passengers and airport staff which will exacerbate traffic congestion on our roads, leading to longer commute times and decreased road safety.
- b. Our road networks are already strained, and the expansion will only exacerbate the problem.

4. Impact on Local Economy:

The economic benefits associated with the airport may benefit the residents of Luton but will likely have the inverse effect on our local economy in the long-term, due to people avoiding our towns altogether as a result of the traffic congestion and delays.

5. Alternatives and Mitigation:

- a. All relevant stakeholders (local authorities and local communities) should explore alternatives to airport expansion, such as investing in improved public transportation and sustainable travel options.
- b. A full, in-depth, robust and transparent Environmental Impact Assessment (EIA) and an Environmental and Social Governance Report (ESG) has not been carried out on the commissioning authority (Luton Borough Council) and all the suppliers, which means that residents have no idea of the short, medium and long-term impact that an expanded Luton Airport will have on their local environment.

Reference:

<https://www.theccc.org.uk/publication/letter-international-aviation-and-shipping/>
<https://commonslibrary.parliament.uk/research-briefings/cbp-8826/>

The Council resolves that:

The Leader and the Deputy Leader write jointly to the Leader, Deputy Leader, Luton Borough Council's Chief Executive, the Managing Director of Luton Rising (the trading name of LLAOL), the Leaders/Deputy Leaders of all surrounding local government authorities, all relevant (local) members of parliament, the Secretary of State and the Shadow Secretary of State for Transport clearly stating that we as a Council are opposed to any further expansion of Luton Airport.

Proposed by: Councillor Chris Lucas

Seconded by: Councillor Sam Collins.

COUNCIL

25 JANUARY 2024

PUBLIC DOCUMENT

TITLE OF REPORT: NOTICE OF MOTIONS UNDER STANDING ORDER 4.8.12

The following motion has been submitted, due notice of which has been given in accordance with Standing Order 4.8.12.

White Ribbon Motion

Across the UK misogyny, harassment and violence towards women and girls is endemic. The White Ribbon campaign is at the forefront of campaigning to both end domestic violence and to eradicate attitudes that condone domestic abuse. This motion highlights their work and how North Herts council can support them.

This Council notes that:

- ONS figures show that almost one in three women aged 16-59 will experience domestic abuse in their lifetime, that two women a week in England and Wales are killed by a current or former partner, that over half a million women are raped or sexually assaulted each year and that a YouGov poll shows that a third of girls have experienced sexual harassment in schools;
- North Hertfordshire Council is proud to actively support organisations who have continually fought for the safety and protection of women.
- According to crime-survey and other government data, victims disproportionately come from demographic groups that already experience inequality and additional challenges in our society, including those who are mixed-race, have disabilities, or are transgender.

This Council further notes that:

- White Ribbon UK is the leading charity with a mission to end male violence against women and part of the global White Ribbon movement.
- White Ribbon Day is marked annually on 25th November, the International Day for the Eradication of Violence Against Women, by encouraging men and boys to pledge never to take part in, condone or stay silent about violence against women and to show this by wearing a white ribbon on the day and a week or two afterwards; and
- White Ribbon UK operate a system of male Ambassadors and female Champions all with the aim of encouraging men to take the pledge and help to eradicate male violence against women.

This Council believes male violence against women can never be condoned and North Hertfordshire Council should do everything in its power to ensure women are safe. As part of this, the council should facilitate and encourage participation by councillors and staff in the White Ribbon Campaign.

This Council therefore resolves to:

- 1) Encourage all male councillors to take the White Ribbon pledge to never to take part in, condone or stay silent about violence against women.**
- 2) Work towards White Ribbon accreditation, joining the large number of public sector bodies that have already done so.**
- 3) Mark White Ribbon Day on 25 November each year (aim for 2024, if not 2025) and encourage participation among councillors, council staff and local organisations.**
- 4) Continue to work with organisations and support campaigns for the end of violence against women and the promotion of healthy relationships.**
- 5) Ask the leader and deputy leader of the Council to write to the Secretary of State for Education to request further work be done in support of all elements of this motion.**
- 6) Call out all forms of sexual objectification and all its negative outcomes and encourage others to do the same. Championing the wellbeing of everyone, particularly of women and girls, and encouraging the education of everyone, particularly of men and boys.**

Proposed by: Councillor Sean Prendergast.

Seconded by: Councillor Alistair Willoughby.

TITLE OF REPORT: NOTICE OF MOTIONS UNDER STANDING ORDER 4.8.12

The following motion has been submitted, due notice of which has been given in accordance with Standing Order 4.8.12.

Health Intervention

Council notes that:

- a. A person's opportunity for good health starts before they have the need for healthcare. Therefore, the responsibility for good health must go beyond that of the health and social care systems¹.
- b. People with health problems are more susceptible to unemployment, lower earnings, sickness absence, and lower household income. Every year, 300,000 people stop work and become reliant on health-related benefits. A further 140 million working days are lost to sickness, costing the UK economy £15bn. A healthy population is essential for a thriving society and economy.
- c. In 2020/21, one in five people in the UK lived in poverty, over half of these were living in working households. Inadequate incomes can cause poor mental health due to stress, the lack of feeling in control, being unable to access resources or adopt healthy behaviours. Living with day-to-day stresses of poverty in early childhood can have damaging effects on long-term health outcomes.
- d. Children living in cold homes are more than twice as likely to suffer respiratory problems than children living in warm homes.
- e. Young adults who are unemployed are more than twice as likely to suffer from mental ill health than those in work.
- f. There are nine times as many fatal and serious injuries among pedestrians aged 5-9 in the most deprived areas than the least. Streets and public spaces that are well designed also encourage active travel and can have other positive impacts such as reducing vehicle speeds. Good public transport also reduces poor air quality.
- g. Good green spaces enable people to be more physically active, feel safe and secure, and socialise and play.

¹ Marmot M, Allen J, Boyce T, Goldblatt P, Morrison J. Health Equity in England: The Marmot Review 10 Years On. Institute of Health Equity; 2020 (www.health.org.uk/publications/reports/the-marmot-review-10-years-on)

- h. Food insecurity is caused by a multitude of interrelated factors across the levels of national society, community, household, and individual. It is three times more expensive to get the energy we need from healthy food than unhealthy food. Diet-related ill health is a leading cause of preventable illness in the UK, and a significant driver of health inequalities. It is also detrimental to mental health, being a cause of significant stress and anxiety in households.
- i. Social isolation and loneliness are associated with a 30% increased risk of heart disease and stroke. Positive friendships and being part of a community helps protect people from these damaging health effects.
- j. North Herts is one of the healthier places to live in Hertfordshire with an overall Health Index score of 120.1. However we know this headline figure masks areas of real need. 10.8% of people over the age of 65 in the district are in fuel poverty². 17.4% of children in the district live in low-income households³. 61.2% of adults in the district are overweight or obese⁴ and 17.2% of children are overweight or obese when they start reception⁵.
- k. The recent report summary published by The King's Fund on 'Driving better health outcomes through integrated care systems: The role of district councils' states that district councils have a valuable role to play within integrated care systems (ICSs) as we can influence wider determinants of health, can act and react in agile ways, and have strong connections with our local communities.
- l. The King's Fund report summary also says that district councils are important players in areas such as managing long-term conditions, reducing obesity, improving mental health and wellbeing, combatting food and fuel poverty, assisting hospital discharge, and shaping health-creating environments due to their powers in several areas such as housing, local economies, and the built and natural environment.
- m. There are significant physical and mental health inequalities among several demographics nationwide, including women and the LGBTQIA+, Black, Asian, and Minority Ethnic communities⁶ among others. The Health Inequalities Steering Board (NHS Hertfordshire) commissioned a piece of work setting out some improvements to be made from 2023 which highlights some of the mental ill health issues that are prevalent in the participant group and the lack of good services to provide aid⁷.
- n. Acts of violence, particularly against women and girls, and the effects of sexual violence on mental health and wellbeing cannot be understated.⁸ People abused during childhood in education, employment, and training may never fully recover to achieve their full

² hertshealththevidence.org/documents/thematic/ageing-well-herts-district-november-2023.html

³ hertshealththevidence.org/documents/thematic/developing-well-herts-district-november-2023.html

⁴ hertshealththevidence.org/documents/thematic/living-well-england-district-november-2023.html

⁵ hertshealththevidence.org/documents/thematic/starting-well-herts-district-november-2023.html

⁶ [Ethnic Health Inequalities in the UK - NHS - Race and Health ObservatoryNHS – Race and Health Observatory \(nhsrho.org\)](https://ethnicherho.org/)

[Policy Briefing: The Ockenden review - NHS - Race and Health ObservatoryNHS – Race and Health Observatory \(nhsrho.org\)](https://ethnicherho.org/)

[Ethnic Inequalities in Healthcare: A Rapid Evidence Review - NHS - Race and Health ObservatoryNHS – Race and Health Observatory \(nhsrho.org\)](https://ethnicherho.org/)

⁷ [impactful-governance-lgbtq-research-report-2023-final.pdf \(hpft.nhs.uk\)](https://www.hpfh.nhs.uk/impactful-governance-lgbtq-research-report-2023-final.pdf)

⁸ www.hertshealththevidence.org

potential, even if they have therapy. We need more investment from National Government to support trauma-informed therapy.

- o. People with intellectual disabilities are subject to multiple disadvantages such as limited education, employment, and skills training opportunities. Therefore, more investment from⁹National Government is needed to support our communities to provide these opportunities.
- p. The challenge we face locally is a lack of hyper-localised data which can be utilised effectively to target the health interventions our communities need. But we know anecdotally the places where people need help overcoming the determinants of poor health – from damp homes to clean air to access to healthy activities.

All of this demonstrates the great need for this council to work across portfolios to bring about better health and social interventions and outcomes through our policies.¹⁰

The Health Foundation sets out a whole council approach for local authorities¹¹ and this administration does a good deal of work in this arena. We already support positive health outcomes via our Healthy Hub, and funding of the Citizens' Advice Bureau which helps reduce mental health inequalities and prevent depression and anxiety. But Local Authorities need to try to do as much as they can and ensure, where possible, that we consider the health and well-being impacts of the decisions we take.

The role of District Councils in effecting integrated health outcomes is well evidenced.¹² As an authority, we should aim to consider the health impacts alongside other implications [financial, legal, risk, human resource environmental, social value and equalities].

This Council, therefore, resolves to incorporate the following into service planning and funding streams and:

- 1. Look to include the consideration of health and well-being implications in the decision-making process across all portfolios and service directorates, with increased support resources for officers (such as toolkits, assessment logic flows etc.);**
- 2. Ask officers to ensure that, as the Council's policies are routinely reviewed, specific consideration is given to how policies and our related decisions and actions, affect our contribution to health interventions and outcomes, and where necessary, update these policies to have better impacts wherever possible. As part of this, Overview & Scrutiny should be given the opportunity to review policy changes and regularly review progress on health interventions;**
- 3. Ask officers to continue to liaise with Hertfordshire County Council colleagues and continue to work with the Herts and West Essex and Cambridge and Peterborough**

⁹ [Learning disability - applying All Our Health - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/learning-disability-applying-all-our-health)

¹⁰ This is supported by s.177 of the Crime and Disorder Act 1998 which requires work across portfolios. When effective this has a proven record of delivering positive outcomes.

¹¹ [Local government's key role in improving health - The Health Foundation](https://www.healthfoundation.org.uk/our-work/our-approach/whole-council-approach)

¹² [Driving better health outcomes through integrated care systems | The King's Fund \(kingsfund.org.uk\)](https://www.kingsfund.org.uk/publications/2017/driving-better-health-outcomes-through-integrated-care-systems)
[The district council contribution to public health | The King's Fund \(kingsfund.org.uk\)](https://www.kingsfund.org.uk/publications/2017/the-district-council-contribution-to-public-health)

Integrated Care Boards in their work on this, to take account of the findings in the Joint Strategic Needs Assessment, and to encourage the Chair of Overview & Scrutiny and each Area Forum Chair to invite presentation of information on population health, health initiatives, and service provision for consideration by their respective committees and the wider public, at least once annually.

4. Ask officers to investigate the most appropriate training for Members and officers about how to promote health interventions, outcomes, and policies for consideration by Council;
5. Request that the Leader write to the Secretary of State for Health requesting that they provide the necessary powers and resources to make local action on health interventions and outcomes easier and to support the implementation of the recommendations of the joint LGA and NHS Confederation report on Integrated Care Partnerships (Integrated Care Partnerships: Driving the future vision for health and care | Local Government Association).
6. Request that the Leader write to the Chief Executive of the Cambridgeshire and Peterborough ICB requesting that they initiate a process of constitutional variation (as provided for under section 1.6 of the ICB constitution), with a view to inviting a third Local Authority partner member to join the ICB, and to consider allowing for that member to be drawn from either Hertfordshire County Council or North Hertfordshire District Council.
7. Continue to work with partners across the District, County and wider region to deliver widespread positive health interventions and outcomes.

Proposed by: Councillor Alistair Willoughby.

Seconded by: Councillor Elizabeth Dennis.

**COUNCIL
25 JANUARY 2024**

PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: REVIEW OF MEMBERS' ALLOWANCES SCHEME

REPORT OF: DEMOCRATIC SERVICES MANAGER

EXECUTIVE MEMBER: Allowances - Non-Executive function.
(Democratic Services: Community and Partnerships)

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

1. EXECUTIVE SUMMARY

- 1.1 To agree the Member's Allowances Scheme 2024/2025 having taken into account the recommendations of the Independent Remuneration Panel ('IRP').

2. RECOMMENDATIONS

That the Council:

- 2.1. Considers the report and recommendations of the IRP, as attached as Appendix A of the submitted report.
- 2.2. Agrees the Members' Allowances Scheme for 2024/2025 as set out in Appendix B¹ of the submitted report.
- 2.3. Express appreciation to the IRP for their work over the last year on this report.

3. REASONS FOR RECOMMENDATIONS

- 3.1. To ensure that the Council meets its statutory requirements of an annual review and adoption of the scheme.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. None, as the Council is required to undertake an annual review prior to the beginning of the financial year and approve a Scheme of basic and other prescribed allowances for Members. In making or amending a Scheme the Council shall have regard to the recommendations made by the Panel. The Council can amend the Scheme as per the IRP recommendations either partly or wholly or to retain the current Scheme.

¹ Amended as per the tracked changes.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1. The Panel invited the three Group Leaders to respond to a series of questions prior to attending a meeting on 6 September 2023 to discuss their views of the Scheme.
- 5.2. The Panel interviewed the Monitoring Officer on 7 September 2023 regarding the role of the Independent (and Reserve Independent) Persons of the Standards Committee.
- 5.3. The Panel invited the Chair and the Vice-Chair of the Council to a meeting on 1 September 2023 to understand this role and the level of engagement required.
- 5.4. A survey was circulated to all Members on 17 August 2023 and closed on 30 August 2023 which sought to understand Members opinions of the Scheme.

6. FORWARD PLAN

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

7. BACKGROUND

- 7.1. The Council is required under the Local Authorities (Members' Allowances) (England) Regulations 2003 (as amended) to agree on an annual basis a Scheme of Allowances payable to Members' for the following financial year. Under the Regulations, when making or amending a Scheme, the Council 'shall have regard to the recommendations' of an IRP (Regulation 19). The Regulations state that before the beginning of each year the authority shall make a Scheme for the allowances for that year. The Members Allowance Scheme is comprehensive and includes Basic Allowances ('BA'), Special Responsibility Allowances ('SRA') (for posts which carry specific responsibilities) and other allowances and expenses that may be claimed.
- 7.2. A Scheme may make provision for an annual adjustment of allowances by reference to an indexation which can be used for up to four years before another review of allowances is required.
- 7.3. The Scheme was last approved by Council in January 2023. The current IRP was appointed as notified by delegated decision on 15 December 2022, for a 4-year term. The following people form the IRP:

Ms Margaret Waller
Ms Julie Byrom
Mr Tom Etheridge

8. RELEVANT CONSIDERATIONS

IRP considerations:

- 8.1 The IRP acknowledged that Members were very aware of the costs of the Scheme. A key role of the IRP is to recommend a Scheme which recognises Members' responsibilities and workloads, whilst being mindful of financial restraints, inflation and the cost of living.
- 8.2 Previously the IRP recommended that any increase in allowances for Members should not exceed that negotiated by the National Joint Council (NJC) for Local Government Services for Council Officers' pay or the annual rate of CPIH for the 12 months as measured by the rate published in October (whichever is the lowest). [As the headline

CPI rate was actually CPIH (including owner occupiers housing costs), this was the preferred rate]. The pay award for 2022 was unusual as a flat rate had been agreed of £1,925 on each scale point per annum, which was replicated again for the pay award in 2023, where a flat rate £1,925 had been agreed on each scale point per annum.

- 8.3 Therefore, the Panel looked at other ways to baseline the Basic Allowance, such as including average increases across all sectors, increases across the public sector, increases in line with inflation or increases in line with Council Officers. The Panel also considered the Basic Allowance of neighbouring Hertfordshire authorities (detailed in Appendix 2 of Appendix B). In conclusion the IRP have recommended an increase to the Basic Allowance of 6.6%. Resulting in a basic allowance for 2024/2025 of £5,763.
- 8.4 An increase of 5.72% (which represented the mean percentage increase in Council Officer pay award) has been recommended by the Panel to be applied to roles with a Special Responsibility Allowance (SRA), except for the Chairs of Area Forums and both the Chair and the Vice Chair of the Council. The Panel has recommended that these should not be increased and be reviewed again in the next Civic Year for the reasons as contained within the IRP report.
- 8.5 The Panel recommended that the allowances paid to the Independent Non-Voting Member on the Finance, Audit and Risk Committee, Independent Person and Reserve Independent Persons of the Standards Committee be retained at the current rate and considered within the next review.
- 8.6 The IRP noted the Council's preference to pay multiple SRAs and reviewed Members who were paid more than one SRA. They noted that the vast majority of Council's (85%) did not pay multiple SRAs. The Panel raised no concerns with the number of Members who were paid an SRA, which stood at 17 Members representing less than 50% of Members.
- 8.7 For each year, an SRA in the amounts indicated below, shall be paid to those Councillors who hold the following special responsibilities:

Role	Amount (£) (rounded to nearest pound)
Leader of the Council	16,003
Deputy Leader of the Council	2,858
Cabinet Executive Members (x7)	6,858
Chair - Area Forums (x 5)	1,081
Chair - Finance, Audit and Risk Committee	4,000
Chair - Overview and Scrutiny Committee	4,000
Chair - Planning Control Committee	6,858
Chair - Licensing and Appeals Committee	1,715
Leader of each Opposition Group	2,858*
	(*Subject to a minimum of 3 members)

- 8.8 There was some discussion regarding the appropriate level of allowance for the Chairs of the Area Forums, which were now constitutionally different to the previous Area Committees and were no longer decision making. The IRP had reflected on this change, as well as the information provided in the meeting with the Group Leaders, and it was

agreed that the current SRA for that role should remain unchanged to allow time for the commitment required for this role to be understood and considered as part of the review in the next Civic Year.

8.9 Childcare and Dependent Carers' Allowance

This was previously increased in line with the London Weighted Real Living Wage to reflect the actual cost of childcare, to encourage diversity in the composition of the Council and to be more reflective of the actual costs for using a suitably qualified and competent carer.

It is recommended that this continues to be increased in line with the London Weighted Real Living Wage 2023/2024 to £13.15 per hour.

All other aspects in relation to this part of the Scheme remain unchanged.

8.10 Chair and Vice Chair Allowances

The allowances for the Chair and Vice Chair of Council are covered by Sections 3(5) and 5(4) of the Local Government Act 1972 and are not a matter which the IRP are obliged to make recommendations on. Historically, the Chair and Vice Chair of Council have received an allowance which is expected to recompense for the additional costs associated with these roles. It is not clear how the allowance for the Chair and the Vice Chair was previously agreed.

Due to the nature of the role, and the differing level of involvement Members have as Chair or Vice Chair of the Council, the IRP did not feel it appropriate to raise the allowances for these roles, until further definition of the roles could be agreed, which could be considered as part of the next Review.

8.11 Independent Person (IP) and Reserve Independent Person

The allowance of the Independent Person (IP), the Reserve Independent Persons of the Standards Committee was not within the remit of the Local Authorities (Members' Allowances) (England) Regulations 2003. The IRP agreed to consider and incorporate these roles into the 2023/2024 Members' Allowances Scheme.

Initially it was felt that the payment was comparatively high for the role, but the IRP met with the Monitoring Officer to understand the role played by the IP and Reserve Independent Persons. Following this it was agreed that due to the large number of complaints received and the value these roles offered the Monitoring Officer, the allowances for these roles should remain at current levels.

8.12 Independent Non-Voting Member on the Finance, Audit and Risk Committee

The Chartered Institute of Public Finance and Accountancy (CIPFA) set the standards that local authorities should follow in relation to finance, accountancy, and related matters. CIPFA have issued guidance that it is best practice to have an independent (non-political) person on the audit committee. Council at its meeting on 11 November 2021 approved the appointment of this role as of the 2022/2023 civic year. Last year the IRP agreed to consider and recommend an allowance for the role and the current Panel agreed to do the same for this year.

The IRP recommends that the allowance for this role should remain at its current level.

8.13 Travel and Subsistence Allowances

The IRP agreed that these should continue to be linked directly to the payment of staff claims (at the rate set and from time to time amended by the HMRC).

The IRP recommends that the ability to claim for second class rail fare be included in the scheme, for journeys which commence within the North Hertfordshire District.

The Panel also noted that currently there are few expense claims made by Councillors, £801.11 across 49 Councillors in 2022/23. The Panel encourage Councillors to claim in accordance with the Scheme.

8.14 Frequency of Reviews and future considerations

The IRP were informed that the Council would move to all out elections in May 2024, where all Councillors would be elected at the same time, with the number of Members increased to 51.

Due to this change, the Panel did not want to create a scheme lasting for more than one year and therefore recommended that the scheme apply for 2024/25 only, effective from 1 April 2024.

The Panel would then commence a Review in the new civic year with a view to recommending a Scheme that would last longer than one financial year.

9. LEGAL IMPLICATIONS

- 9.1. The Local Government and Housing Act 1989, Local Government Act 2000 and the Local Authorities (Members' Allowances) (England) Regulations 2003/1021 (as amended) make provisions regarding the setting of Members Allowances.
- 9.2. Regulation 10(1)-(2) provides that before the beginning of each year, an authority shall make the Scheme required for payment of basic and other allowances.
- 9.3. Regulation 19 requires that before an authority makes or amends a scheme it must have regard to the recommendations made in relation to it by the IRP.
- 9.4. The function of making any Scheme authorised or required by regulations under section 18 (Schemes for basic, attendance and special responsibility allowances for local authority members) of the Local Government and Housing Act 1989, or of amending, revoking or replacing any such Scheme, is a Full Council responsibility, by virtue of The Local Authorities (Functions and Responsibilities) (England) Regulations 2000/2853. This is therefore detailed as a function and reserved to Full Council under section 4.4.1(i) of the Council's Constitution *'considering recommendations from the Independent Remuneration Panel and adopting an allowances scheme or assessing, revoking or replacing the whole or part of any such scheme'*.
- 9.5. The adopted Scheme must be published in at least one or more newspapers circulating in the district area under Regulation 16.

10. FINANCIAL IMPLICATIONS

- 10.1 Should the proposed Members' Allowances Scheme be approved, based on the 6.6% increase to the BA and increases to the SRA, as applicable, the additional budget required to fund the scheme would be £33,688 as detailed below:

	Current Allowances 2023/24			Proposed Allowances 2024/25			
	No of roles	Annual Allowance	Total Allowance	No of roles	Annual Allowance	Total Allowances	Increase
Members Allowance		£	£		£	£	£
Basic Allowance	49	5,406	264,894	51	5,763	293,913	29,019
Special Responsibility Allowances							
Leader	1	15,137	15,137	1	16,003	16,003	866
Deputy Leader	1	2,703	2,703	1	2,858	2,858	155
Cabinet Exec Members	7	6,487	45,409	7	6,858	48,006	2,597
Chair - Area Forums	5	1,081	5,405	5	1,081	5,405	0
Chair - Finance, Audit & Risk Committee	1	3,784	3,784	1	4,000	4,000	216
Chair - Overview & Scrutiny Committee	1	3,784	3,784	1	4,000	4,000	216
Chair - Planning & Control Committee	1	6,487	6,487	1	6,858	6,858	371
Chair - Licensing & Appeals Committee	1	1,622	1,622	1	1,715	1,715	93
Leader of the largest opposition group*	1	2,703	2,703	1	2,858	2,858	155
Total			351,928			385,616	33,688
Chair of Council	1	5,830	5,830	1	5,830	5,830	0
Vice Chair of Council	1	1,124	1,124	1	1,124	1,124	0
Total			6,954			6,954	0
Independents							
Independent Person	1	2,697	2,697	1	2,697	2,697	0
Reserve Independent Person	2	648	1,296	2	648	1,296	0
Finance Audit and Risk Committee – Non-Voting Member	1	1,060	1,060	1	1,060	1,060	0
Total			5,053			5,053	0
TOTAL			363,935			397,623	33,688
Budget			363,900				363,900
Additional Budget Required			0				33,700

*Assumes one opposition group but could be more in the future (subject to a minimum of 3 Members in each group). Budget would be adjusted accordingly.

Excludes provision for Childcare and Dependent Carers' Allowances for which there is a separate budget of £500.

10.2 The financial implication to the budget regarding the Childcare and Dependent Carers' Allowance is difficult to calculate as there are variables that will affect this i.e. the number of new Members elected in May who will need to make use of the allowance, number of meetings scheduled and personal circumstances as to whether it is required.

- 10.3 There is a requirement to advertise the Scheme in one or more local papers. The cost to advertise the Scheme following the last review in both the Royston Crow and The Comet was £700.56.
- 10.4 The amounts in the Members' Allowances Scheme are currently cumulative – it is possible for Members to be entitled to more than one SRA in addition to the BA.
- 11. RISK IMPLICATIONS**
- 11.1. None contained within 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. The inclusion of the dependent carers and childcare allowance continues to aid Councillors' to fulfil their responsibilities and provide recompense to them as noted at 8.9, which is important to avoid disadvantaging those with commitments.
- 13. SOCIAL VALUE IMPLICATIONS**
- 13.1. As the recommendations made in this report do not constitute a public service contract, the measurement of 'social value' as required by the Public Services (Social Value) Act 2012 need not be applied.
- 14. ENVIRONMENTAL IMPLICATIONS**
- 14.1. There are no known Environmental impacts or requirements that apply to this report.
- 15. HUMAN RESOURCE IMPLICATIONS**
- 15.1 Members allowances are paid by the payroll provider Liberata via the iTrent system and any changes need to be notified to the provider to ensure the correct rates are paid. Members are required to submit expenses via the self-service online portal. The Committee, Member and Scrutiny Team provide advice where needed and the Committee, Member and Scrutiny Manager reviews and approves the Councillors' allowance claims.
- 16. APPENDICES**
- 16.1. Appendix A – Report and Recommendations by the IRP on the Members' Allowances Scheme.
- 16.2. Appendix B – Proposed Members' Allowances Scheme with tracked changes (2023/2024 with proposed Scheme highlighted)
- 17. CONTACT OFFICERS**
- 17.1 Melanie Stimpson, Democratic Services Manager
melanie.stimpson@north-herts.gov.uk
- 17.2 Jeanette Thompson, Service Director: Legal and Community (and Monitoring Officer)
jeanette.thompson@north-herts.gov.uk

17.3 James Lovegrove, Committee, Member and Scrutiny Manager
James.Lovegrove@north-herts.gov.uk

17.4 Ian Couper, Service Director – Resources
Ian.Couper@north-herts.gov.uk

17.5 Antonio Ciampa, Accountancy Manager
Antonio.Ciampa@north-herts.gov.uk

17.6 Isabelle Alajooz, Legal Commercial Team Manager
Isabelle.Alajooz@north-herts.gov.uk

17.7 Ellie Hollingsworth, Trainee Policy Officer
Ellie.Hollingsworth@north-herts.gov.uk

18. BACKGROUND PAPERS

18.1 [The Local Authorities \(Members' Allowances\) \(England\) Regulations 2003](#)

18.2 [Councillors' Allowance Council webpage](#)

18.3 [Delegated Decision – Appointment of IRP – 15 December 2022](#)

18.4 [Agenda for Council on Thursday 19 January 2023 – Minute No. 172 refers – Review of Members' Allowances Scheme](#)

A Review of Members' Allowances for North Herts Council.

Report of the Independent Remuneration Panel – November 2023.

Margaret Waller

Julie Byrom

Tom Etheridge

1 Introduction and Background.

- 1.1 The Independent Remuneration Panel (IRP) was convened to undertake a full review of Members' Allowances. The review was undertaken and the Panel convened in accordance with The Local Authority' (Members' Allowances) (England) Regulations (SI 1021)(2003) and the Guidance on Regulation for Local Authorities Allowances (2003 and 2006).
- 1.2 The Panel met on the 7th July, 4th and 18th August, 1st, 6th, 7th 15th and 29th September 2023. Membership of the Panel was Julie Byrom, IRP Member for two Councils and Independent Member for 6 Councils, Tom Etheridge, HM Treasury and local resident and Margaret Waller, Member of the Institute of Personnel and Development. The Panel was assisted and supported throughout by Melanie Stimpson, Democratic Services Manager, James Lovegrove, Committee Member and Scrutiny Manager and particularly, Callum Reeve, Democratic Services apprentice.

2 Terms of Reference.

- 2.1 The Regulations provide for Independent Remuneration Panels to have the following functions:
- to make recommendations to the authority as to basic allowances that should be payable to its elected members
 - to make recommendations to the authority about the responsibilities or duties which should lead to the payment of a special responsibility allowance and as to the amount of such an allowance
 - to make recommendations to the authority about the duties for which a travelling and subsistence allowance can be paid and the amount of this allowance
 - to make recommendations as to the amount of co-optee's allowance.
 - to make recommendations as to whether the authority's allowance scheme should include an allowance in respect of the expenses of arranging for the care of children and dependants and if it does make such a recommendation, the amount of this allowance and the means by which it was determined
 - to make recommendations on whether any allowance should be backdated to the beginning of a financial year in the event of the scheme being amended
 - to make recommendations as to whether annual adjustments of allowance levels may be made by reference to an index, and, if so, for how long such a measure should run

3 Deliberations of the Panel.

- 3.1 The Panel had access to the previous reports of the Independent Remuneration Panel. The Panel has given consideration to these reports as part of its deliberations whilst forming recommendations. The panel noted that apart from the pay award aligned to the NJC for Local Government Services for Council Officers last year, no real increase in either Basic Allowance or SRAs had taken place since 2021/22.

- 3.2 The Panel gained the views of stakeholders by questionnaire and interview. A questionnaire was sent to all 49 Councillors. 20 Councillors responded. A response rate of 40% which is disappointing. A higher response rate would have enabled firmer conclusions to have been made. The summarised survey results are attached at Appendix 1.
- 3.3 The Panel also sent separate questionnaires to the three Group Leaders. Two responses were received and two group leaders interviewed. One group leader chose not to respond or be interviewed so their views could not be taken into account. Again, this is disappointing. Interviews also took place with the Chair and Deputy Chair of Council and the Monitoring Officer, vis-à-vis the role of the Independent Persons.
- 3.4 A key role of the panel is to recommend a scheme of allowances which recognises both Members' responsibilities and workloads. The Panel was mindful of financial restraints, inflation and the cost of living, when making recommendations. We feel confident that the recommendations are a realistic assessment of the worth and work of Councillors.
- 3.5 The Panel were made aware that North Herts Council currently have a joint Labour and Co-operative/Liberal Democrat Administration and that an 'all-out' full election will take place in May 2024, as well as changes in Councillor Wards decreasing the number of 1 - Councillor Wards to 6. The Panel, therefore, decided not to recommend decisions that might bind a new council over 4 years with regard to special responsibility allowances, when this might not be appropriate. It was therefore recommended that the Scheme of Allowances apply for one year from 1 April 2024 and a further IRP Report be prepared after the next Council was formed to be undertaken at a time to be agreed with them.

4 Basic Allowance.

- 4.1 The current Basic Allowance is £5406 and has not increased over the last two IRP reports (apart from the NJC for Local Government Services award for Council Officers mentioned above.) The previous IRP recommended an increase of 6% being the nearest whole percentage between the mean and median salary increase for the current year which was implemented. It is understood that Councillors had in the past been reluctant to raise the basic allowance due to cost of living pressures on constituents. The current IRP asked for the basis of the Allowance, established in 2003. It may have been based on the Local Government Members Rate at that time.
- 4.2 There are two approaches to reaching a recommendation on the basic allowance. The first is to baseline the allowance against an external comparator. This could be the allowances offered by other Councils in the area or the earnings of local residents. The second approach is to start with the existing allowances and assess what changes might be justified.
- 4.3 Our approach is a mixed approach. We started with the baseline allowance against both other Councils and local wages. This provided a useful sense-check of allowances and suggested they are slightly lower than comparators. But we concluded that neither baseline is an appropriate way to set allowances. We therefore assessed what changes to the status quo might be acceptable.

4a Baseline Against Local Councils.

- 4.5 We examined 10 local Councils. Seven paid a higher basic allowance than North Herts Council. Two of the seven who paid more have not published an increase since 2019. The average of the 10 local Councils is £6228.10, meaningfully higher than the basic allowance of £5,406 paid by North Herts Council.
- 4.6 Baselining against local Councils is a useful exercise but the panel does not feel it should be adopted straightforwardly as a method of setting allowances in North Herts Council. First, because we have no meaningful assessment of the appropriateness of other Councils' remuneration. Second, because adopting this approach may create a ratchet in Councillors' remuneration: if Councils increase remuneration to the local average, but are less likely to make cuts to allowances, the local average continuously increases. Third, because increases of the order this baseline exercise suggests are likely to be unacceptably high to both Councillors and local residents.

4b Baseline against a Formula.

- 4.7 Many Councils use a formula to baseline allowance against local wages. Such a formula would be:

$$\boxed{\text{Required time input (hrs.)}} - \boxed{\text{Public Service discount}} \times \boxed{\text{Remuneration rate}} = \text{Basic Allowance}$$

- 4.8 Required time input. - We asked Councillors what were the average hours they spent each week on non-SRA duties. Of the 20 responses received, over half stated they worked 13+ hours a week. We also had access to the results of a Councillor survey completed in October 2019/20 as part of the Boundary Review where the same question was asked. In this, fourteen Councillors reported working an average of 15 hours per week.
- 4.9 Public Service Discount. - In creating a formula the Panel needed to establish a Public Service Discount to recognise that it is expected that some of the role be undertaken on a voluntary basis. We recognised the high level of commitment to role seen in our interviews. A Public Service Discount of 40% (ie minus 60% seen as voluntary) to the role of Councillor would be proposed as the figure normally used by other Councils.
- 4.10 Remuneration Rate. - Several hourly rates for North Herts are available. Average hourly earnings for North Herts Council, according to NOMIS (Official Census and Labour Market Statistics) hourly rate of £20.44

Thus, if we use 13hrs x 52weeks = 676 hrs/year – PSD 60% x £20.44 = £5527.

The weekly figure for hours is given by a small number of Councillors and therefore challengeable. Using this approach to set allowances is not recommended until more reliable figures can be obtained. Nonetheless, the results of applying this formula provide a sense-check of the basic allowance. The formula approach suggests that the North Herts Council basic allowance is low when set against the average wages of local residents and applying an appropriate discount.

5 Assessing a Reasonable Increase to Basic Allowances.

- 5.1 Our baseline exercises both demonstrated that the basic allowance paid by North Herts Council is low when compared against both local Councils and local wages.
- 5.2 An increase to the basic allowance needs to be justifiable to local people at any time and especially at a time where people are suffering real-terms reductions to their income. There are several possible bases for an increase to the basic allowance that may meet the test of public justifiability. These options are ordered from largest (and possibly hardest to justify) to smallest (and easiest to justify).
- 1) An increase in line with economy-wide pay increases. This may be justified as maintaining pace between councillors and the economy at large. But since different sectors have seen very different wage growth rates this may not represent the pay increases enjoyed by many local people. The Office for National Statistics (ONS) records growth in regular pay (excluding bonuses) at 7.8% for the three months to July 2023. This would increase the basic allowance to £5,828.
 - 2) An increase in line with public sector pay increases. This may represent a more appropriate measure when changes in Councillor allowances are compared with changes to pay in public services. The ONS records growth in regular pay (excluding bonuses) in the public sector at 6.6% (September 2023 ONS Publication, covering May to July 2023). This would increase the allowance to £5,763.
 - 3) An increase in line with inflation. Increasing allowances in line with inflation would maintain the real-terms value of Councillors' allowances. This would avoid allowances losing their value but would not start to close the gap identified by our baseline exercise. The August 2023 CPIH measure was 6.3%. This would take the basic allowance to £5,747.
 - 4) An increase in line with pay settlements for Council officers. Since Council officers are the people Councillors work most closely with and effective working across both elected members and officials is important for a well-run Council, avoiding large differences in pay settlements may be valued. The 2023 settlement for Council Officers has now been announced and an equivalent award for Councillors would be an increase of 5.72% per annum if we use a mean calculation and 6.41% if we use a median calculation.
- 5.3 Our baseline exercise, whilst not a reliable way to set allowances, suggested a gap between North Herts Council basic allowance and both comparators. Meaningfully addressing that gap requires a real-terms increase in the basic allowance but is constrained by public justifiability. In our view the most justifiable basis for raising allowances is to raise them modestly in line with whole-public sector pay increases. We therefore recommend the basic allowance is increased by 6.6% to £5,763.
- 5.4 Recommendation:**
There is compelling rationale to raising the basic allowance, on an ongoing basis. We therefore recommend that the Basic Allowance be increased by 6.6% to £5,763. A 6.6% increase would bring Basic Allowance to a reasonable level and Council Officers pay awards should be applied thereafter.

6 Special Responsibility Allowances (SRAs).

6.1 Number of SRAs.

The IRP is aware of the 'Guidance for Local Authorities 2003' which states:

para 71 – The Regulations do not limit the number of special responsibility allowances which may be paid, nor do the regulations prohibit the payment of more than one special responsibility allowance to any one member.

para 72 – However, these are important considerations for Local Authorities. If the majority of members of a Council receive a special responsibility allowance the local electorate may rightly question whether this was justified. Local authorities will wish to consider very carefully the additional roles of members and the significance of these roles, both in terms of responsibility and real time commitment before deciding which will warrant the payment of a special responsibility allowance.

- 6.2 It is noted that three North Herts councillors receive more than one SRA and one of these Councillors receives three. All three have a specialist responsibility and are members of an Area Forum as Chair. This seems usual in Councils which have established area forums for a part of its structure but the Council should be aware that the vast majority of Councils, ie 85%, don't pay more than one SRA. Seventeen Councillors receive an SRA. This is less than 50% of Councillors and the IRP expressed no concern regarding this number of SRAs.
- 6.3 The Deputy Leader receives more than one SRA but the total allowance is equivalent to the importance of the role, particularly in a joint administration. Should this arrangement change, the post would need to be reviewed.
- 6.4 The current SRAs and those paid by other Local Councils are at Appendix Three. The figures for Dacorum and Three Rivers are for 2017/18. More recent information is not unfortunately available.
- 6.5 Our surveys and interviews revealed that there is considerable variation between SRAs and between different Councillors' approaches to these positions, leading to very different workloads and degrees of commitment. This variation makes recommending changes to SRAs difficult. It is also problematic when considering how SRAs may be justified to the public and when considering how SRAs relate to performance.
- 6.6 Recommendation:**
Before agreeing any increase to SRAs, the council should set clear and publicly transparent performance expectations for the holders of SRAs.
- 6.7 The IRP considered that it would be more sensible to review SRAs following the elections in 2024 as it is possible that the structure of the Council and duties will change and would align the setting of remuneration for SRAs to the new electoral calendar.
- 6.8 In the immediate term, the IRP was satisfied with the level of SRAs for most posts apart from those specified below.

6.9 Recommendation:

Except where specified below, SRAs should increase by the Council Pay Award for 2023, mean, which is calculated at 5.72%.

7 Chairs, Area Forum (basic allowance x 0.2)

- 7.1 The function of the Area Committees was changed during 2023 to Area Forum. It was suggested to the IRP that these roles now carry a lower level of duty but that would only become fully clear after the new forums had been in operation for longer.

7.2 Recommendation:

The responsibility level of Chairs of Area Forums should be reviewed after one year of operation as part of the next Review of the Members' Allowances Scheme, with a view to reducing or eliminating this SRA if no longer justified. In the meantime, this SRA should be not be increased.

8 Chair and Vice-Chair of Council

- 8.1 Of all the roles the IRP examined these payments were most difficult to assess. The role of Chair is very much dependent on the individual concerned and their application to the role. We heard that, with a committed Chair in place, the role of Vice-Chair is only to provide cover which may be very limited but that with a less committed chair the Vice-Chair is likely to do more.

8.2 Recommendation:

The roles of Chair and Vice-Chair should be carefully defined to determine how much of the Chair's duties (if any) can be given to the Vice-Chair so that a percentage distribution of duties be established as a framework and expectations are clear. A review of the SRAs can then take place. In the meantime, these SRAs should not be increased.

9 Dependant Carers and Child Care Allowance.

- 9.1 The IRP noted that very few claims, if any, were made for this allowance. The reason might be that Councillors don't need to claim or it may be that they do not wish to. It is important that the ability to claim this allowance is publicised to all new Councillors. The duties where Dependant Carer's Allowance may be claimed are clarified in the regulations and should be added to the Scheme. They are attached as Appendix 4 to this report.
- 9.2 Real Living Wage (London Weighting) of £13.15 per hour for 2024. Should this be insufficient eg for specialist care, a higher amount can be claimed subject to agreement in advance, reasons given and receipted.

10 Travel and Subsistence Allowances.

- 10.1 The Travel and Subsistence Allowances are in line with HMRC recommendations and are in line with Staff rates. This should continue.
- 10.2 Few Councillors claim expenses. Indeed, only £801.11 was claimed by 49 Councillors in 2022/23. Representations were made that claims were difficult to make using the ITrent system. There was also some concern that as claims amounts were published

annually, they might be seen as excessive. The IRP considered that expenses should be claimed in all cases where they were legitimate ie a cost has been incurred and cannot be avoided. Inflation, the cost of living and the lack of increase in the Basic Allowance in the past has meant that expenses will have lessened even more the value of the Basic Allowance.

- 10.3 The only addition recommended to the scheme is the ability to travel by second class rail fare. Claims for second class train fare, single or return, may be claimed for journeys commencing in the North Herts District area. For journeys commencing outside the North Herts. border, payment may only be made from inside the border to a destination within it.

10.4 Recommendation:

It is recommended therefore that Councillors claim expenses in line with the Members Allowance Scheme, and that second-class train fares be included as above. The duties for which Travel and Subsistence can be claimed are attached at Appendix 4 to this Report and should be added to the Scheme. Councillors should be reminded that they have access to a guide to the I-Trent system to enable claims to be made easily.

11 Independent Persons.

- 11.1 The IRP were asked to examine the role of the Independent Person and Reserve Independent Persons of the Standards Committee and the Independent Member of the Finance, Audit and Risk Committee. The level of payment to the Independent Person (Standards) is relatively high. Given however the number of complaints received by the Monitoring Officer and the valued assistance given by the Standards Independent Person/Reserve Independent Persons it is not recommended that this be lowered. It is recommended that this amount, the Reserve Independent Persons Allowance and the Independent Member on the Finance, Audit and Risk Committee be held at the current level pending the full review next year.

11.2 Recommendation:

To maintain the Independent Person, the Reserve Independent Persons of the Standards Committee and the Independent Member of the Finance, Audit and Risk Committee payment at current levels until the next Review.

12 Implementation Date.

- 12.1 The Implementation date is 1/4/2024.

13 Financial Considerations.

- 13.1 Based on the 6.6% increase to the BA and increases to the SRAs, as detailed above, the additional budget required to fund the scheme would be £33,688 as detailed below:

	Proposed Allowances 2024/25			
	No of roles	Annual Allowance	Total Allowances	Increase from 23/24
		£	£	£
Members Allowance				
Basic Allowance	51	5,763	293,913	29,019
Special Responsibility Allowances				
Leader	1	16,003	16,003	866
Deputy Leader	1	2,858	2,858	155
Cabinet Exec Members	7	6,858	48,006	2,597
Chair - Area Forums	5	1,081	5,405	0
Chair - Finance, Audit & Risk Committee	1	4,000	4,000	216
Chair - Overview & Scrutiny Committee	1	4,000	4,000	216
Chair - Planning & Control Committee	1	6,858	6,858	371
Chair - Licensing & Appeals Committee	1	1,715	1,715	93
Leader of the largest opposition group*	1	2,858	2,858	155
Total			385,616	33,688
Chair of Council	1	5,830	5,830	0
Vice Chair of Council	1	1,124	1,124	0
Total			6,954	0
Independents				
Independent Person	1	2,697	2,697	0
Reserve Independent Person	2	648	1,296	0
Finance Audit and Risk Committee –Non-Voting Member	1	1,060	1,060	0
Total			5,053	0
TOTAL			397,623	33,688
Budget				363,900
Additional Budget Required				33,700

*Assumes one opposition group but could be more in the future (subject to a minimum of 3 Members in each group). Budget would be adjusted accordingly.

Appendix One

Councillor Questionnaire Response Results (Average)

1. What Political Party do you represent? (Not compulsory Question)

Conservative	4 Responses
Labour Party	6 Responses
Liberal Democrats	6 Responses
Anonymous	4 Responses
TOTAL	20 Responses

2. In addition to being a District Councillor, are you a Parish or County Councillor?

County Councillor	2
Parish Councillor	2
None	16 Responses

3. On average, how many District Council meetings do you attend each month?
(Including formal Council meetings, informal briefings with officers, etc.)

1-3 Hours	4 Votes (20%)
4-6 Hours	6 Votes (30%)
7-10 Hours	7 Votes (35%)
11+ Hours	3 Votes (15%)

4. In total how many hours do you spend on your role as a district Councillor – just associated for the Basic Allowance, not associated to any SRA you have? (i.e., Casework, reading, attending meeting...

0-3 Hours	0 Votes (0%)
4-6 Hours	2 Votes (10%)
7-9 Hours	6 Votes (30%)
10-12 Hours	1 Vote (5%)
13+ Hours	11 Votes (55%)

5. If you have a role that receives an SRA, please indicate how many hours per week you spend specifically on this role. (Accidentally made this question compulsory, therefore can assume the 0-3 hours votes were where people do not have an SRA)

0-3 Hours	9 Votes (50%)
4-6 Hours	1 Vote (6%)
7-9 Hours	2 Votes (2%)
10-12 Hours	3 Votes (17%)
13+ Hours	3 Votes (17%)

6. Place rank the importance of the roles - the most important at the top and the least important at the bottom. (Most popular Order)

1. Leader of the Council	18 Votes (95%)
2. Deputy Leader of the Council	7 Votes (37%)
3. Cabinet Executive Members	7 Votes (37%) and 7 Votes for 2 nd Place
4. Chair of the Council	5 Votes (26%) and 5 Votes for 7 th Place
5. Chair - Planning Control Committee	4 Votes (21%) and 5 Votes for 3 rd Place
6. Chair – Overview and Scrutiny	4 Voters (21%) and 7 Votes for 5 th Place
7. Chair - Finance, Audit and Risk Committee	2 Voters (11%) and 7 Voters for 6 th Place
8. Chair – Area Forum	8 Voters (42%)
9. Chair – Licensing and Appeals Committee	6 Votes (32%)
10. Vice Chair of the Council	9 Votes (47%)

7. Any comments as to why you have ranked in this order?

- Number of meetings and responsibilities
- The Chair of Scrutiny should play a larger, more professional role, leading training and development and working to horizon scan the forward plan etc. To encourage a more professional approach, suggest a slight uplift in this SRA.
- I think the Exec roles and chairs of the committees generally involve more work than the ceremonial roles of Chair/Vice-Chair of Council
- the Vice Chair does relatively little unless the Chair is unavailable.
- The Deputy leader is a much more significant role when there is a joint rather than a single party administration.
- Based on perceived order of importance.

8. Do you have other income?

Yes	19
No	1

9. Would you be able to be a Councillor without other income? (i.e., only on Basic Allowance and possible SRA)

Yes	4
No	16

10. Does the Basic Allowance pay for your associated costs with being a Councillor? (i.e., cost of phone, internet access, etc.)

Yes	16
No	4

11. What are your views on the current expenses paid under the scheme? (i.e., mileage rates, subsistence allowances, etc.)

- It is very complicated to make claims.
- I only claim for mileage.
- It seems appropriate for additional expenses although I have not had to use it.
- I do not currently claim these, but they seem fair.
- Reasonable if you a SRA, the basic is poor however and will not help to encourage younger people to become Cllrs.
- I think the mileage rates encourage use of the private car rather than public transport, although the additional 5p for passengers is a good incentive for car sharing.
- I think the childcare allowances should reflect the full costs, to enable single parents to attend Council meetings.
- Hard to work out what can and cannot be claimed for.
- I am not convinced the scheme is necessary except perhaps for example the Chair attending events as a representative of "the Council".
- The financial reward in no way justifies the amount of effort.

12. Do you have any views on other expenses that should be covered by the scheme?

- I would like to see Train Travel covered by the scheme.
- The allowances don't come close to covering the time commitment or responsibility of being a Councillor.
- Childcare costs for discussions with residents.
- Yes, as a teacher, I cannot attend meetings during the day because the school has to spend money on covering me and cannot be reimbursed.

13. Have you claimed any expenses within the last 12 months?

Yes	3
No	17

14. If so, do you feel the payments are enough to cover your expenses?

- I think the allowance covers any expenses.
- Yes, other than the lockdown period when I incurred substantially higher phone charges. However, I don't need childcare to attend meetings.
- Yes

15. If you do not claim expenses, why do you not claim them?

Not worthwhile for small amounts	10 Votes (40%)
The information is publicly available	2 Votes (8%)
Basic Allowance/SRA is enough to cover my expenses	7 Votes (28%)
Unsure of the claim process	3 Votes (12%)
Other	3 Votes (12%) <ul style="list-style-type: none"> - Never had a cause to claim. - I don't need the money. Council does - Uncomfortable with public seeing costs of conferences etc so prefer to self-finance

Appendix Two

Special Responsibility Allowances – Councils Local to North Herts.

Council/ Year	N Herts 23	Wel Hat 23	Watford 22	St'age 23	St Alb 21	H'mere 23	E Herts 22	Broxb 23	Dacorum	Three Rivers	Average
Population (2018)	133,214	122,246	131,326	89,500	147,373	104,205	150,158	96,876	154,280	93,771	122,294.90
Leader of the Council	15,137	13,722.56		23,831	13,670	27,418	19,767	20,559	15,165	10,401	17,741.30
D/Leader of the Council	2,703	11,477.97					12,225.96	9,416			8,955.73
Cabinet Members	6,487	11,003.22	3,229	11,671	9,551	4,601	9,780.96	8,240	10,110	5,200	7,987.32
Chair-Planning	6,487	4,279.03		11,671	33,330	6,044	7,336	7,537			10,954.86
Chair-Overview & Scrutiny	3,784	4,279.03	8,878	10,481	2,820		6,646.04	7,537			6,346.44
Chair-Finance, Audit & Risk	3,784	4,279.03	8,878	4,767		1,930	6,646.04	4,119	5,055	2,600	4,673.12
Chair-Licensing & Appeals	1,622	4,279.03	8,878	4,767	2,820	1,930	6,051		2,527.50	2,600	4,181.84
Chair-Area c'tees(x5)	1,081										1,081
Leader of the Opposition	2,703 ^a	8,630.85	112 ^b	1,631	10,800	3,830	108 ^c	4,119	6,318.75	3,900	4,215.26
Chair	5,830		4,500				6,500				5,610
Vice-Chair	1,124		1,500				1,450				1,358
Mayor		7,335.48	73,607	14,540				7,357			25,709.87
IP Standards	2,697	500	200	1,441			2,500	1,472			1,468.33
IM Audit & Risk	1,060			1,441			2,500				1,667

^a - subject to a minimum of 3 members

^b - £112 p.a. per group member

^c - a factor of 0.1 of the Basic Allowance x the number of members

Appendix Three

Basic Allowances of Councils Local to North Hertfordshire.

COUNCIL	YEAR	BASIC ALLOWANCE
North Herts DC	23	£5404
Broxbourne BC	22	£5885
Dacorum BC	19	£5426
East Herts DC	22	£5428.79
Hertsmere BC	23	£6601
St Albans City & DC	23	£6236
Stevenage BC	23	£8490
Three Rivers DC	?	£4627
Watford BC	22	£8071
Welwyn Hatfield BC	23	£6112.90

Appendix Four

The duties are specified in the Regulations for the payment of Dependent Carer's Allowance and Travelling and Subsistence Allowance are as follows:

a meeting of the executive

- a meeting of a committee of the executive
- a meeting of the authority
- a meeting of a committee or sub-committee of the authority
- a meeting of some other body to which the authority makes appointments or nominations, or
- a meeting of a committee or sub-committee of a body to which the authority makes appointments or nominations
- a meeting which has both been authorised by the authority, a committee or sub-committee of the authority or a joint committee of the authority and one or more other authorities, or a sub-committee of a joint committee **and** to which representatives of more than one political group have been invited (if the authority is divided into several political groups) or to which two or more Councillors have been invited (if the authority is not divided into political groups)
- a meeting of a local authority association of which the authority is a member
- duties undertaken on behalf of the authority in pursuance of any standing order requiring a member or members to be present while tender documents are opened
- duties undertaken on behalf of the authority in connection with the discharge of any function of the authority conferred by or under any enactment and empowering or requiring the authority to inspect or authorise the inspection of premises
- duties undertaken on behalf of the authority in connection with arrangements made by the authority for the attendance of pupils at a school approved for the purpose of section 342 of the Education Act 1996
- any other duty approved by the authority in connection with discharging the duties of the authority or its committees or sub-committees.

MEMBERS' ALLOWANCES SCHEME 2024/25

1. Definitions

In this scheme:

"Council" means North Hertfordshire District Council;

"Councillor" means a Member of the Council who is a Councillor;

"year" means the 12 months ended 31 March;

2. Commencement and Duration

This scheme shall have effect for the year commencing 1 April ~~2023~~ 2024 and for subsequent years, save that the Council may amend the scheme at any time subject to the provisions of paragraph 9 hereunder.

3. Basic Allowance

Subject to paragraph 9, a basic allowance of £~~5,406~~ 5,763 shall be paid to each Councillor ~~1(x49)~~ for each year.

4. Special Responsibility Allowance

For each year a special responsibility allowance in the amounts indicated below shall be paid to those Councillors who hold the following special responsibilities:-

Leader of the Council	£ 15,137 <u>£16,003</u>
Deputy Leader of the Council	£ 2,703 <u>£2,858</u>
Cabinet Executive Members (x7)	£ 6,487 <u>£6,858</u>
Chair - Area Committees-Forums (x 5)	£1,081
Chair - Finance, Audit and Risk Committee	£ 3,784 <u>£4,000</u>
Chair – Overview and Scrutiny Committee	£ 3,784 <u>£4,000</u>
Chair - Planning Control Committee	£ 6,487 <u>£6,858</u>
Chair of Licensing and Appeals Committee	£ 1,622 <u>£1,715</u>
Leader of each Opposition Group	£ 2,703 <u>£2,858</u> *

* Subject to a minimum of 3 Members.

Such allowances shall be subject to the requirements of Paragraph 9 hereunder.

5. Chair and Vice Chair of Council Allowance

Chair of Council	£5,830
Vice Chair of Council	£1,124

6. Travelling and Subsistence Allowances

Travelling and subsistence allowances are payable at the recommended HMRC approved amounts of 45 pence per mile for cars for the first 10,000 miles and 25 pence per mile thereafter, whilst undertaking duties as listed in (a) – (i), replacing the following National Joint Council recommended rates for local government staff.

Cyclists 20.0p

¹ 49 Councillors. However, the number of Councillors entitled to the Basic Allowance will increase to 51 following the elections on 2 May 2024 (as per the Review by the Local Government Boundary Commission for England).

Fares

Second class train fares, single or return, may be claimed for journeys commencing within North Hertfordshire. For journeys commencing outside North Hertfordshire, the cost of the fare will only be reimbursed from inside the district border to a destination within it.

Car Sharing

An additional allowance of 5p (HMRC approved amount) per passenger per mile be paid when a Member takes other Members whilst carrying out approved duties and in the following circumstances

- (a) the Chair and Vice-Chair of the Council when engaged on official Council business;
- (b) the Chair and Vice-Chair of any Committee or Sub-Committee for attending pre-agenda and briefing meetings and opening tenders;
- (c) Cabinet Portfolio Members for attending meetings with officers in connection with their official duties as Spokesperson;
- (d) attendance by Councillors at a meeting of the Council or any Committee or Sub Committee appointed thereby in accordance with the provisions of Section 102(1)(a) and (c) of the Local Government Act 1972 (including informal meetings of such bodies which have been arranged at the behest of the appropriate Chair and to which all Members therefore have been invited to attend), of which they are a Member, or has been specifically requested to attend by the Chair and such is recorded in the minutes of the meeting;
- (e) attendance by Councillors at a meeting of any Working Party or Panel to which they have been appointed by any of the bodies referred to in (d) above and comprising representatives of more than one political group;
- (f) attendance by Councillors at Seminars and other similar meetings arranged formally for the purpose of informing and/or training to which representatives of more than one political group have been invited;
- (g) attendance at meetings of external bodies to which the Councillor claiming is the Council's appointed representative;
- (h) attendance by Councillors at conferences, courses, seminars, etc;
- (i) attendance by Councillors at Town or Parish Council meetings within their ward to explain District Council business.

(No such allowance shall be payable in respect of attendance at any conference or meeting in relation to which the Councillor is entitled to a payment in the nature of an allowance under Section 175 of the Local Government Act 1972.

No such allowance shall be payable if such a payment would be contrary to a provision made by or under any enactment.)

Subsistence Allowances

The same as those used for the payment of staff claims for meals taken away from home, to be paid at the rate set and from time to time amended by the HMRC.

Amount that can be claimed per meal

Breakfast	5.00
Lunch	10.00
Tea	5.00
Evening meal	10.00

Subject to a maximum that is based on time away from home or usual place of work

5 hours	5.00
10 hours	10.00
15 hours/ per day	25.00

7. Renunciation

A Councillor may by notice in writing given to the Democratic Services Manager elect to forego any part of his/her entitlement to an allowance under this scheme.

8. Childcare and dependent Carers' Allowance

A care allowance will be paid to any Member who incurs expenditure on the care of young children and or dependent relatives in order to perform their duties as a Councillor, subject to:

- (a) the duty being one for which Travelling and Subsistence Allowance is payable under this Scheme of Members' Allowances; and
- (b) that each individual claim shall not exceed the actual sum paid or ~~£11.95~~ £13.15 (London Weighted Real Living Wage) per hour, which ever is the lesser.
- (c) Consideration being given to an additional allowance for specialist care for a dependent, where this is known to be more expensive and agreed in advance of the claim being made.

9. Part-Year Entitlements

If during the course of the year the Council amends the amounts payable in respect of basic or special responsibility allowance, then the entitlement to such allowance shall be adjusted pro-rata to the proportion of the year that such allowance is payable.

Where a Councillor (a) is not a Councillor for the whole of the year; or (b) during the course of the year takes up or relinquishes a position in respect of which a special responsibility allowance is payable, then the entitlement to basic or special responsibility allowance shall be adjusted pro-rata to the proportion of the year during which they were a Councillor or held such position.

10. Claims

A claim for travelling and/or subsistence allowance under this Scheme shall:

- a) be made via the iTrent self-service online portal within three months of the end of the month in which the meeting/activity in respect of which the entitlement to the allowances arises (or by 30 April if incurred between January and end of March);
- b) include a statement on the online claim form confirming the Councillor claiming the allowance that they are not entitled to receive remuneration in respect of the matter to which the claim relates otherwise than under the Scheme;

- c) be accompanied by receipts itemising VAT as appropriate.

Claims submitted later than three months after the relevant date, and/or one month after 31 March shall be paid only in such exceptional circumstances following approval by the Service Director: Resources in accordance with the Financial Regulations.

11. Payments

Subject to the provisions of paragraph 9 payments of basic and special responsibility allowances shall be made in monthly instalments.

Payments in respect of travelling and subsistence allowance shall be made as soon as is practicable after submission of a claim.

12. External Conferences, Seminars, etc.

Travelling and subsistence Allowance at the same rate as that applying under the Members' Allowances Scheme are payable to those Members attending conferences, seminars, courses, etc., falling within the criteria specified in Section 175 of the Local Government Act, 1972 where such attendance has been previously approved by the Council.

13. Independent Person and Reserve Independent Persons of Standards Committee

Independent Person	£2697
Reserve Independent Person	£648 per Reserve IP

14. Independent Member on the Finance, Audit and Risk Committee £1060

COUNCIL
25 January 2024

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: COUNCIL TAX REDUCTION SCHEME 2024/2025

REPORT OF: SERVICE DIRECTOR CUSTOMERS

EXECUTIVE MEMBER: EXECUTIVE MEMBER FOR FINANCE AND IT

COUNCIL PRIORITY: PEOPLE FIRST

1. EXECUTIVE SUMMARY

- 1.1 Each year the Council is required to review its Council Tax Reduction Scheme in accordance with the requirements of the schedule 1A of the Local Government Finance Act 1992 and to either maintain the scheme, revise the scheme, or replace it.
- 1.2 The Council carried out a full review of its Council Tax Reduction Scheme. The review was one of the Councils key projects for 2022/23 included in the Council Delivery Plan and resulted in the introduction of a banded scheme from 2023/2024. The new scheme is now in its first year.

2. RECOMMENDATIONS

- 2.1 That Council approve the new branded scheme for working age applicants which remains unchanged for 2024/2025.
- 2.2 That Council note that the new scheme has had a greater financial impact than expected, and any resultant Collection Fund shortfall will be split between the Council and its Major Precepting Authorities. The Councils share will be around 12%.
- 2.3 That Council note that the Discretionary Exceptional Hardship Scheme, previously agreed to provide additional transitional support, has been underspent, largely due to the positive impacts of the main scheme. (The surplus of this will be used to off-set the impact on the District Council in relation to the main scheme)
- 2.4 That Council note a further review is being undertaken during 2024/2025, to ascertain any further changes to be considered for the scheme in 2025/2026.

3. REASONS FOR RECOMMENDATIONS

3.1 To ensure that the Council has a Council Tax Reduction Scheme that continues to:

- Provide the greatest support to the lowest income households.
- Reduce the administrative burden that has been placed on the Council since the introduction of Universal Credit (UC)
- Be simple to understand, meaning that customers will be able to calculate entitlement and assess the impact of potential changes in circumstances.

4. ALTERNATIVE OPTIONS CONSIDERED

4.1 There is a requirement to provide a Council Tax Reduction Scheme. The purpose of this report is to consider whether the scheme meets the needs of providing support where it is required and is affordable. There has not been time to be able to review and analyse the impact of the new scheme, propose revisions to the scheme and carry out the required consultation. Therefore, this will take place during 2024/25.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

5.1 The Executive Member and Deputy Executive Member for Finance and IT have been consulted throughout.

5.2 Consultation was undertaken in line with the statutory requirement with:

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

5.3 No comments were received from the County Council, PCC or the Public.

6. FORWARD PLAN

6.1 This report was first notified to the public in the Forward Plan on the 2 November 2023.

7. BACKGROUND

7.1 The current Council Tax Reduction Scheme administered by the Council is divided into two schemes, with pension age applicants receiving support under the rules prescribed by Central Government, and the scheme for working age applicants being determined solely by the local authority.

7.2 Pensioners, subject to their income, can receive up to 100% support towards their Council Tax. The Council has no power to change the level of support provided to pensioners and therefore any changes to the level of Council Tax Reduction can only be made to the working age scheme.

7.3 A full review was carried out in 2022/2023, with public consultation. The Council opted to create a banded scheme for 2023/2024, with a key aim to be able to provide the greatest support to those most in need.

8. RELEVANT CONSIDERATIONS

- 8.1 In previous years, Cabinet has considered whether any changes to the Housing Benefit Regulations should be reflected within the Council's CTRS Scheme. There have been no changes to the Housing Benefit Regulations, which require adoption within the Council's CTRS for 2024/2025.
- 8.2 Where it has been recommended to make any changes to the Scheme, these have to be the subject of public consultation before a final recommendation is made to the Council for adoption or not into the Scheme. As no changes are being proposed a light touch consultation has taken place and no comments received.
- 8.3 The banded scheme that was introduced in 23/24 was designed to meet a number of key objectives, these were,
- To provide the greatest support to those on the lowest income
 - To reduce the administrative burden that has been placed on the Council since the introduction of Universal Credit (UC)
 - To be simple to understand, meaning that customers will be able to calculate entitlement and assess the impact of potential changes in circumstances.

8.4 To provide the greatest support to those on the lowest income.

- 8.4.1 This has been achieved by having a banded scheme that provides 100% support to those on the lowest income. Although we have not yet completed a full year of the new scheme, we can see that claimants who have historic council tax arrears are not accruing further arrears in the current year, due to receiving a higher reduction on their council tax.
- 8.4.2 The feedback from the consultation exercise agreed with a higher level of support to those households on the lowest of incomes. This has been reinforced with the cost-of-living crisis. Feedback from Citizens Advice also reflects that the current scheme better supports those most in need.
- 8.4.3 Whilst the principle of all working age households paying 'something' was initially thought to be an approach that would be central to the design of Council Tax Reduction, the reality is that the lowest income households, had been unable to pay the balance leading to additional costs, court and enforcement action, and, in some cases, the amounts demanded have eventually been written off as uncollectable. The costs of administration of these cases by the Council had previously increased significantly over the years, these costs are borne solely by the Council. The current scheme addresses these issues by an increase in entitlement to 100% for those on the lowest income.

8.5 Reduce the administrative burden that has been placed on the Council since the introduction of Universal Credit (UC)

- 8.5.1 The introduction of Universal Credit within the district has, as experienced in all other areas, brought a number of significant challenges to both the administration of Council Tax Reduction and also the collection of Council Tax generally. All Councils have experienced the following:
- the reluctance of Universal Credit claimants to make a prompt claim for Council Tax Reduction leading to a loss in entitlement.

- a high number of changes to UC cases received from the Department for Work and Pensions (DWP) requiring a change to Council Tax Reduction entitlement. On average most UC claimants have between eight and twelve changes in entitlement per annum. These changes result in amendments to Council Tax liability, the recalculation of instalments, delays, and the demonstrable loss in collection.
 - increased costs of administration through multiple changes with significant additional staff and staff time being needed. It is estimated that on average the Council receives around 39,000 notifications per year of change from the DWP for claimants on UC, that is a significant administrative burden that is likely to increase.
- 8.5.2 The number of Universal Credit claimants at present who are within the Council Tax Reduction Scheme is 3347 which represents 70% of the working age caseload. The number of UC claimants will increase during 2024 as cases migrate to UC and the majority of work within the working age cohort will revolve around these cases.
- 8.5.3 The new banded scheme has made it easier for customers to make a claim and has significantly reduced the administrative burden on Council staff and customers who no longer need to keep providing new evidence.
- 8.5.4 The scheme now avoids constant changes in discount, the need for multiple changes in instalments as the income bands are sufficiently wide to avoid constant changes in discount and the need to recalculate monthly instalments. This also assists in maintaining the collection rates and the requirement to issue a large number of council tax demands has reduced.
- 8.5.5 For Universal Credit applicants any UC data received from the DWP are treated as a claim for Council Tax Reduction. Where information is received from DWP, the entitlement to Council Tax Reduction is being processed automatically without the need to request further information from the customer. These changes have the following distinct advantages:
- **Speed of processing** – all claims can be calculated promptly and largely automatically without the need to request further information which inevitably leads to delays.
 - **Maximising entitlement to every applicant** - as there will be no requirement for Universal Credit applicants to apply separately for Council Tax Reduction, and for all other applicants, the claiming process is simplified significantly. Entitlement to Council Tax Reduction will be maximised with a reduced risk of loss of discount or the need for backdating.
- 8.5.6 The full migration of all legacy benefits to UC is now taking place during 2024, therefore reducing the administration in relation to claimants on UC has been beneficial.
- 8.6 **To be simple to understand, meaning that customers will be able to calculate entitlement and assess the impact of potential changes in circumstances.**

- 8.6.1 With the simplicity of the new scheme and by taking a more Council Tax discount approach, customers are able to calculate entitlement and understand their ongoing entitlement, making it easier to budget. Anecdotally we know that more customers are now willing to pay by direct debit as the liable amount is consistent and less prone to changes, as it had been previously.
- 8.6.2 All applicants see a significant reduction in the claiming process and, where possible, Council Tax Reduction is awarded automatically. In line with our People First priority the scheme is easier for our customers to understand and available for them to access and calculate their entitlement at any time.
- 8.6.3 Our Customer Service Strategy continues to commit to making it easier for customers to access our services and the simplified scheme supports that objective.

8.7 Details of the current banded scheme.

- 8.7.1 The Banded Scheme Table (below) shows the category and income bands.

Band	Discount	Single Person	Single Person with one child	Single Person with two children	Single Person with three or more children	Couple with no children	Couple with one child	Couple with two children	Couple with three or more children
1	100%	£0 to £100.00	£0 to £165.00	£0 to £220.00	£0 to £330.00	£0 to £140.00	£0 to £205.00	£0 to £260.00	£0 to £340.00
2	75%	£100.01 to £180.00	£165.01 to £245.00	£222.01 to £300.00	£330.01 to £385.00	£140.01 to £220.00	£205.01 to £285.00	£260.01 to £340.00	£340.01 to £395.00
3	45%	£180.01 to £240.00	£245.01 to £305.00	£300.01 to £360.00	£385.01 to £445.00	£220.01 to £280.00	£285.01 to £345.00	£340.01 to £400.00	£395.01 to £455.00
4	25%	£240.01 to £300.00	£305.01 to £365.00	£360.01 to £420.00	£445.01 to £505.00	£280.01 to £340.00	£345.01 to £405.00	£400.01 to £460.00	£455.01 to £515.00
5	0%	Over £300.01	Over £365.01	Over £420.01	Over £505.01	Over £340.01	Over £405.01	Over £460.01	Over £515.01

- 8.7.2 The highest level of discount is at 100% of the Council tax liability (Band 1) meaning, someone with 100% discount is not expected to contribute towards their Council Tax bill. All current applicants that are in receipt of a 'passport benefit' such as Income Support, Jobseeker's Allowance (Income Based) and Employment and Support Allowance (Income Related) will receive this maximum discount, likewise those whose only income is universal credit will also receive 100% discount.
- 8.7.3 All other discount levels are based on the applicant's and partner's (where they have one) net income.
- 8.7.4 The scheme allows for variation in household size with the levels of income per band increasing where an applicant has a partner, and / or dependants. There are no charges made where an applicant has non-dependants living with them. This means that the

administration of the scheme is more straightforward whilst also protecting low-income families where adult sons and daughters remain at home.

8.7.5 To encourage work, a standard £50 per week disregard is provided against all earnings. Where a family also receives a childcare disregard (for childcare costs not paid for by Central Government schemes), the income levels in the 'grid scheme' are set at a higher rate. Further disregards are listed below:

- Disability benefits such as Disability Living Allowance (DLA) and Personal Independence Payment (PIP) and Limited Capability to work will continue to be disregarded.
- Where any applicant, their partner or dependent child(ren) are in receipt of a disability benefits such as PIP or DLA, a further disregard of £50 per week will be given.
- Carer's Allowance and the Support Component of Employment and Support Allowance will be disregarded.
- Child benefit and Child Maintenance will be disregarded.
- An amount in respect of the housing element, within Universal credit will be disregarded.
- The total disregard on war pensions and war disablement pensions will continue.
- The capital limit of £16,000 with no tariff (or assumed income) being applied.

8.8 Exceptional Hardship Scheme

8.8.1 The Council was mindful that the transition to the current scheme would result in a change to the entitlement of some applicants and so contained a provision for additional discretionary support to individuals who experienced exceptional hardship. Where any applicant was likely to experience exceptional hardship, they were encouraged to apply for a CTR hardship award for a specified period of time. However, the take-up for this has been low, mainly due to the support awarded within the scheme, which has meant that those experiencing hardship as a result of the change in the scheme has been limited. The Council has considered all applications for exceptional hardship on an individual basis, taking into account available income and essential outgoings. Where appropriate, further support has been given to the applicant.

8.8.2 The funding allocated for this transitional scheme has not been fully utilised. The intention is that this will be used to off-set the district councils' extra expenditure as per the recommendation at 2.3.

9. LEGAL IMPLICATIONS

9.1 The Council is required to maintain and annually review its Council Tax Reduction Scheme in accordance with Section 13A and Schedule 1A of the Local Government Finance Act 1992 (as amended by the Local Government Finance Act 2012).

- 9.2 Schedule 1A to the Local Government Finance Act 1992 requires the Council to make any revision to its scheme or any replace scheme no later than 11 March in the financial year preceding that for which the revision or replacement scheme is to have effect.
- 9.3 Full Council's terms of reference include at 4.4.1 (z) "approving the Council Tax Reduction Scheme".
- 9.4 Section 3(1) of Schedule 4 of the Local Government Finance Act 2012, which inserts Schedule 1A to the Local Government Finance Act 1992 requires the Council to consult on any changes to its scheme as follows:
- Consult any Major Precepting Authority which has power to issue a precept to it,
 - Publish a draft scheme in such manner as it thinks fit, and
 - Consult such other persons as it considers are likely to have an interest in the operation of the scheme.

10. FINANCIAL IMPLICATIONS

- 10.1 The Council Tax Reduction Scheme in 23/24 costs approximately £8.95m which is borne by the Council's Collection Fund. Costs are shared between the Council and the Major Precepting Authorities in the following proportions:

- County Council (including Fire and Rescue Service) (76.%)
- Police and Crime Commissioner (11.4%)
- District Council (12%)

These proportions are based on the overall share of Council Tax income and will change over time in line with decisions made by each Authority on levels of Council Tax increase. Recently, these have mainly been affected by the levels of increase (without a local referendum) that have been allowed by Government.

The costs of Council Tax Reduction are not funded by the Precepting Authorities directly. Instead, the estimated level of eligibility is converted into a number of band D equivalent properties. That then reduces the overall tax base (i.e., the number of properties expected to pay Council Tax), and therefore the amount of income that each Precepting Authority should expect to receive. Differences between what was expected, and the amount actually collected are managed through a Collection Fund. The precepting Authorities will share any surpluses or shortfalls in the following year.

- 10.2 The approach and shape of the scheme has changed, and the overall approach is now providing additional support to those households on the very lowest incomes, which would seem particularly relevant at a time when there is a cost-of-living crisis and high inflation. Current scheme costs are higher than what was expected due to a number of factors:
- 5% overall increase in Council Tax – modelling was carried out on a like for like basis and did not reflect any potential increase in council tax. Although, an increase in Council Tax rates would generally not impact on the actual tax base.
 - Disregard of Limited Capability for work – modelling on this could not be done in advance as the tool was not available, however this was considered to be important to include to support the most vulnerable who have a limited capability to work.

- Previous administration of the rent element within universal credit claims had not been disregarded. This was not identifiable during the initial modelling.
 - During 23/24 the council distributed support payments of up to £25 to a number of claimants. This figure was not included in the modelling; however, it has reduced our collectable amount of council tax.
- 10.3 The increased costs of the scheme will mean a shortfall in income compared to what we expected to collect within the collection fund in 2023/24, and this loss will impact funding in the 2024/25 financial year. North Herts share of this loss will be offset by a corresponding amount of unspent Council Tax Discretionary Hardship grant released to the General Fund. The availability of the surplus grant is due to limited take up of the Council Tax Hardship Scheme.
- 10.4 During 24/25 we will carry out another review and continue to model a range of adjustments to see if the increased cost of the current scheme can be reduced without having a significant adverse impact on residents. We will also factor in a general % increase in Council tax to include this in our predicted spend.

11. RISK IMPLICATIONS

- 11.1 Whilst we now have better information on the factors that have increased the cost of the scheme, it is still difficult to predict the number of households that will be eligible and the extent of that entitlement. General economic factors can have an impact on the cost of the scheme, and it is unknown whether the cost of the scheme will now come down (as inflation comes down) or whether it could increase further (with less positive economic forecasts). The only way to mitigate the risk of increasing spend is to make the Scheme less generous. This in turn will mean increases in the amount of Council Tax to be collected, which may prove counter-productive and move the problem into increased bad debts.

12. EQUALITIES IMPLICATIONS

- 12.1 In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2 It should be noted that this scheme only applies to and impacts a specific age group: working-age claimants. The new scheme aims to improve accessibility to the scheme for all claimants through a simplified process; and improve the support available to those that are on the lowest incomes.
- 12.3 An equalities impact assessment was completed on the current scheme before it was implemented. As there are no changes being proposed for 23/24 another assessment is not required.

13. SOCIAL VALUE IMPLICATIONS

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

14. ENVIRONMENTAL IMPLICATIONS

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

15. HUMAN RESOURCE IMPLICATIONS

15.1 There are no direct Human Resources implications in this report.

16. APPENDICES

16.1 None

17. CONTACT OFFICERS

17.1 Jo Dufficy, Service Director Customers
Jo.dufficy@north-herts.gov.uk; ext. 4555

17.2 Geraldine Goodwin, Revenues Manager
Geraldine.goodwin@north-herts.gov.uk; ext. 4277

17.3 Anne Banner, Benefits Manager
Anne.banner@north-herts.gov.uk; ext. 4610

17.4 Mark Scanes, Revenues, Technical and Systems Manager
Mark.scanes@north-herts.gov.uk; ext. 4400

17.5 Ian Couper, Service Director – Resources
ian.couper@north-herts.gov.uk; ext. 4243

17.6 Jodie Penfold, Group Accountant
Jodie.penfold@north-herts.gov.uk ext. 4332

17.7 Rachel Cooper, Controls, Risk and Performance Manager
Rachel.cooper@north-herts.gov.uk. ext. 4606

17.8 Isabelle Alajooz, Acting Legal Manager & Deputy Monitoring Officer
Isabelle.alajooz@north-herts.gov.uk . ext.4346

17.9 Ellie Hollingsworth, Policy and Strategy Trainee
Ellie.hollingsworth@north-herts.gov.uk. ext. 4220

17.10 Rebecca Webb, HR Services Manager
Rebecca.webb@north-herts.gov.uk. Ext 4481

18. BACKGROUND PAPERS

18.1 None

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COUNCIL
25 January 2024

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: SECOND QUARTER INVESTMENT STRATEGY (CAPITAL AND TREASURY) REVIEW 2023/24

REPORT OF: SERVICE DIRECTOR - RESOURCES

EXECUTIVE MEMBER: COUNCILLOR IAN ALBERT, FOR 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 2023/24, as at the end of September 2023.
- 1.2 To update Cabinet on the impact upon the approved capital programme for 2023/24 – 2032/33. The current estimate is a decrease in spend in 2023/24 of £2.413M and an increase in spend in 2024/25 of £1.789M and £2.109M in the following years of the capital programme. The most significant individual changes to the forecast spend in 2023/24 relate to the reprofiling into future years of £2.000M Museum Storage unit and £1.096M Development of John Barker Place, and an increase of £1.424M Local Authority Housing Fund Round 2.
- 1.3 To inform Cabinet of the Treasury Management activities in the first six months of 2023/24. The current forecast is that the amount of investment interest expected to be generated during the year is £3.014M. This is an increase of £0.412M on the estimate reported in the 1st quarter report.

2 RECOMMENDATIONS

- 2.1 That Council notes the position of Treasury Management activity as at the end of September 2023 including the new Capital items.
- 2.2 That Council confirms the addition of the Local Authority Housing Fund Phase 2 to the capital programme for 2023/24 and approves the reprofiling of Bancroft & Priory Splash Pads from 2024/25 into 2023/24. Both as detailed in table 3.

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 13 October 2023.

7. BACKGROUND

- 7.1 In February 2023, Council approved the Integrated Capital and Treasury Strategy for 2023/24 to 2032/33. To be consistent with the strategy, the monitoring reports for Capital and Treasury are also integrated.
- 7.2 The Medium Term Financial Strategy for 2023 to 2028 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 £125.0M 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 2023/24

- 8.2 The full capital programme is detailed in Appendix A and shows the revised costs to date, together with the expected spend from 2023/24 to 2032/33 and the funding source for each capital scheme.
- 8.3 Capital expenditure for 2023/24 is estimated to be **£8.225M**. This is a decrease of **£2.413M** on the forecast in the 1st quarter report (reported to Cabinet on 19th September 2023). The decrease in spend in 2023/24 is largely due to the reprofiling of projects into 2024/25 and beyond. Table 1 below details changes to capital programme.

Table 1- Current Capital Estimates

	2023/24 £M	2024/25 £M	2025/26 to 2032/33 £M
Original Estimates approved by Full Council February 2023	8.516	7.427	15.624
Changes approved by Cabinet in 3rd Qrt 2022/23	1.554	0	0
Changes approved by Cabinet in 2022/23 Capital Outturn report	1.221	0	0
Revised Capital estimates at start of 2022/23	11.291	7.427	15.624
Changes at Q1	-0.853	0.686	0.585
New Financial System - Council Approved 28/09/23	0.200		
Changes at Q2	-2.413	1.789	2.109
Current Capital Estimates	8.225	9.902	18.318

- 8.4 Table 2 lists the schemes in the 2023/24 Capital Programme that will now start or continue in 2024/25 and onwards:

Table 2: Scheme Timetable Revision:

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

Scheme	2023/24 Working Budget £'000	2023/24 Forecast £'000	Difference £'000	Reason for Difference	Estimated impact on 2024/25 onwards £'000
Museum and Commercial Storage	2,000	0	-2,000	Options for a museum storage solution are currently being explored. Any capital works are not now expected to commence before the end of this financial year. It is therefore also recommended that the earmarked project allocation of £2m in 2024/25 is reprofiled to 2025/26.	2,000
John Barker Place Development	1,096	0	-1,096	Phase 1 was completed some time ago, but Cabinet approval is for payment on completion of phases 1 and 2 in accordance with the Development Agreement. Phase 2 was due to complete in December 2023, but the contractor Jarvis Construction went into administration earlier this year and this has caused a significant delay. Settle are in the process of tendering for another contractor to complete the works and are hoping to appoint someone by the end of this year. Completion of phase 2 is expected at the end of 2024/ beginning of 2025.	1,096
Resurfacing Lairage Car Park	346	30	-316	This project has been delayed due to the prioritisation of other projects.	316

Scheme	2023/24 Working Budget £'000	2023/24 Forecast £'000	Difference £'000	Reason for Difference	Estimated impact on 2024/25 onwards £'000
Off Street Car Parks Resurfacing	209	39	-170	Surveys undertaken of several open car parks found the surfaces to be in better condition than expected. The planned capital works are therefore not required at this time.	170
Letch Multi-Storey Parapet/Soffit/Decorati on	129	15	-114	This project has been delayed due to the prioritisation of other projects. The current condition means that the work is not a priority.	114
Letchworth Multi Storey Structural Repairs	114	25	-89	This project has been delayed due to the prioritisation of other projects. The current condition means that the work is not a priority.	89
Avenue Park Splash Park	70	0	-70	This project has been deferred for a year pending the outcome of negotiations with the developers in Baldock, who might be willing to support a new facility as part of their proposals.	70
Museum Services Development	48	0	-48	This budget is earmarked for a possible weatherproof solution to allow all year- round use of the Terrace Gallery balcony space for events. Challenges remain regarding the structural engineering and planning considerations, but officers are hopeful of overcoming these.	48
Swinburne Recreation Ground Hitchin, Car Park	30	0	-30	This project has been deferred as there is no longer the same need to deliver it in this financial year. Visitor numbers to the adjacent play area built by Settle have significantly reduced, resulting in a much lower demand upon the car park.	30
Other minor changes			0		0
Total Revision to Budget Profile			-3,933		3,933

- 8.5 There are also changes to the overall costs of schemes in 2023/24. These changes total a net increase of £1.520million and are detailed in Table 3

Table 3: Changes to Capital Schemes Commencing in 2023/24:

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

Scheme	2023/24 Working Budget £'000	2023/24 Forecast Spend £'000	Difference £'000	Comments
Local Authority Housing Fund Phase 2	0	1,424	+1,424	Funding from Government to support the provision of additional housing units for those that have settled in the UK from Ukraine or via the Afghan resettlement and relocation scheme. The properties will be delivered by two Registered Providers, who will fund the balance of the costs. Cabinet are asked to refer to Full Council for confirmation for this to be added to the capital programme.
CCTV Replacement	150	190	+40	Increase in cost for the upgrade of CCTV cameras. The costs have increased due to general inflation, the complexity of some of the locations (e.g., Windmill Hill in Hitchin and Howard Park in Letchworth) and seeking to install wireless links that reduce ongoing costs. The total cost of £190k is over the 20% threshold set out in the financial regulations so Cabinet approval is sought to continue with this work in Letchworth and Hitchin (quotes for Baldock and Royston had been agreed prior to knowing that the overall cost would be over-budget). The Letchworth Garden City Heritage Foundation have agreed a £10k contribution towards the cost of the Letchworth cameras.
Bancroft & Priory Splash Pads	0	35	+35	Budget approved by Council on 23/02/23 for spend in 2024/25. Contractors are now in a position to complete the works in 2023/24.
Provide Housing at Market Rents	2	35	+33	The Council has undertaken a conversion of Harkness Court into 4 residential flats. While the building work is complete, budget is requested for the remaining few items required to enable the flats to be lettable. This includes car park extension works to enable fire access and associated landscaping works.
Other minor changes			-12	
Total revision to scheme spend			+1,520	

- 8.6 Table 4 below shows how the Council will fund the 2023/24 capital programme.

Table 4: Funding the Capital Programme:

	2023/24 Balance at start of year £M	2023/24 Forecast Additions £M	2023/24 Forecast Funding Used £M	2023/24 Balance at end of year £M
Useable Capital Receipts and Set-aside Receipts	5.552	9.579	(4.751)	10.380
S106 receipts			(0.516)	
Other third party grants and contributions			(2.958)	
IT Reserve / Revenue			0	
Planned Borrowing			0	
Total			(8.225)	

- 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. The estimate of additional capital receipts in the table above has not been updated since Quarter 1, so slippage in to 2024/25 is likely.
- 8.8 The Council's Capital Financing Requirement (CFR) at 31st March 2023 was negative £2.72M. Based on current forecasts it will remain negative during 2023/24.

Treasury Management 2023/24

- 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 provision balances and variations in cash due to the timing of receipts and payments. During the first six months of 2023/24, the Council had an average investment balance of £54.7M 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 The Council generated £1.302M of interest during the first six months of 2023/24. The average interest rate on all outstanding investments at the 30th September was 5.03%. (30th June it was 4.47%). 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 £3.014M of interest over the whole of 2023/24.
- 8.11 As at 30th September 2023, the split of investments was as shown in the table below.

Banks	33%
Building Societies	16%

Government	27%
Local Authorities	24%

- 8.12 The level of risk of any investment will be affected by the riskiness of the institution where it is invested and the period that it is invested for. Where an institution has a credit rating this can be used to measure its riskiness. This can be combined with the period remaining on the investment to give a historic risk of default percentage measure. The table below shows the Historic Risk of Default for outstanding investments at 30 September 2023. The most risky investment has a historic risk of default of 0.022%. It should also be noted that in general the interest rate received is correlated to the risk, so the interest income received would be less if the Council took on less risk.

Borrower	Principal Invested £M	Interest Rate %	Credit Rating	Days to Maturity at 30 Sept	Historic Risk of Default %
DMO (Government)	1.0	4.758	AA-	18	0.001
DMO (Government)	2.0	5.17	AA-	18	0.001
Yorkshire Building Society	2.0	4.33	A-	19	0.002
DMO (Government)	3.0	5.275	AA-	19	0.001
DMO (Government)	1.0	5.315	AA-	44	0.003
Yorkshire Building Society	1.0	4.6	A-	45	0.006
Santander UK	2.0	4.46	A	47	0.006
DMO (Government)	3.0	5.28	AA-	47	0.003
Nat West	2.0	4.4	A+	51	0.006
DMO (Government)	2.0	5.195	AA-	51	0.003
Folkestone & Hythe District Council	2.0	4.4	AA-	61	0.004
Santander UK	1.0	4.74	A	72	0.009
Blackpoll Council	3.0	5.4	AA-	73	0.005
Nat West	1.0	4.42	A+	76	0.009
DMO (Government)	3.0	5.36	AA-	76	0.005
Australia & New Zealand Bank	1.0	4.58	A+	79	0.010
Oxford City Council	2.0	4.65	AA-	79	0.005
Santander UK	1.0	5.13	A	82	0.010
Leeds Building Society	3.0	5.48	A-	110	0.014
Lloyds	1.0	5.39	A+	110	0.014
Uttlesford District Council	2.0	5.2	AA-	111	0.007
Nat West	2.0	5.76	A+	139	0.017
Nationwide Building Society	3.0	5.43	A	142	0.018
Lloyds	1.0	4.84	A+	145	0.018
Lloyds	1.0	5.57	A+	149	0.018
Australia & New Zealand Bank	2.0	5.02	A+	170	0.021
Australia & New Zealand Bank	2.0	4.4	A+	172	0.021

Borrower	Principal Invested £M	Interest Rate %	Credit Rating	Days to Maturity at 30 Sept	Historic Risk of Default %
Lloyds	1.0	5.84	A+	179	0.022
Telford & Wrekin Council	2.0	5.7	AA-	198	0.012
North Lanarkshire Council	2.0	5.8	AA-	353	0.022
	55.0	5.03			

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 £4.0M higher than the budgeted £36.4M. 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 £50k per year in interest. The general fund estimates are routinely updated to reflect changes in 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 2023 was negative £2.72M.

- 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 Good Risk Management supports and enhances the decision-making process, increasing the likelihood of the Council meeting its objectives and enabling it to respond quickly and effectively to change. When taking decisions, risks and opportunities must be considered.
- 11.2 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 Oversight Group (if applicable). The key risks arising from the project may be recorded on IdeaGen (the Council's Performance & Risk management software).
- 11.3 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 2023/24 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 2023/24 onwards.

16.2 Appendix B, Treasury Management Update.

17. CONTACT OFFICERS

17.1 Report Writer – Dean Fury, Corporate Support Accountant, Tel 474509,
Dean.fury@north-herts.gov.uk

Ian Couper, Service Director: Resources, Tel 474243, email
Ian.couper@north-herts.gov.uk

Antonio Ciampa, Accountancy Manager, Tel 474566, email,
Antonio.ciampa@north-herts.gov.uk

Reuben Ayavoo, Policy and Communities Manager, Tel 474212, email,
Reuben.ayavoo@north-herts.gov.uk

18. BACKGROUND PAPERS

18.1 Investment Strategy (Integrated Capital and Treasury Strategy)

<https://srvmodgov01.north-herts.gov.uk/documents/s21271/INVESTMENT%20STRATEGY%20INTEGRATED%20CAPITAL%20AND%20TREASURY.pdf>
[Uploaded Appendix A- Integrated Capital and Treasury Strategy.docx.pdf \(north-herts.gov.uk\)](#)

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Project	Service Directorate							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	Balance funded from Capital Receipts/ Set- aside receipts/ Borrowing
40 KVA UPS Device or Battery Replacement	Customers	12,000	0	14,000	0	0	16,000	0	0	0	0	42,000
Alternative to safeword tokens for staff/members working remotely	Customers	6,900	3,000	0	3,000	0	19,000	0	0	0	0	31,900
Avenue Park Floodlights	Place	2,400	0	0	0	0	0	0	0	0	0	2,400
Avenue Park Splash Park	Place	0	70,000	0	0	0	0	0	0	0	0	70,000
Baldock Town Hall project	Legal and Community	4,100	0	0	0	0	0	0	0	0	0	4,100
Bancroft & Priory Splash Pads	Place	35,000	0	0	0	0	0	0	0	0	0	35,000
Bancroft Kiosk	Place	800	0	0	0	0	0	0	0	0	0	800
Bancroft Lighting	Place	0	45,000	0	0	0	0	0	0	0	0	45,000
Burymead Road Transfer Facility	Place	30,000	0	0	0	0	0	0	0	0	0	30,000
Cabinet Switches - 4 Floors	Customers	18,000	0	0	0	0	0	0	0	0	0	18,000
Cadcorp Local Knowledge & Notice Board Software	Customers	5,400	0	0	0	0	0	0	0	0	200	5,200
Careline Laptops	Customers	5,100	0	0	0	0	0	5,100	0	0	0	0
Careline Servers	Customers	3,800	0	0	0	0	0	0	0	0	0	3,800
CCTV at DCO & Hitchin Town Hall	Customers	20,000	0	0	0	0	0	0	0	0	0	20,000
CCTV Replacement	Customers	190,000	0	0	0	0	0	0	0	0	0	190,000
Charnwood House	Enterprise	50,000	350,000	0	0	0	0	0	0	0	0	400,000
Conference Calling Solutions in Large Meeting Rooms at District Council Offices	Customers	13,000	0	0	0	0	0	0	0	0	0	13,000
Couple property improvements following condition survey	Resources	100,000	100,000	100,000	100,000	85,000	0	0	0	0	0	485,000
Cyber Attacks - Events Monitoring Software Solution	Customers	2,000	0	0	0	0	0	0	0	0	0	2,000
Cycle Strategy implementation (GAF)	Regulatory	278,000	0	0	0	0	0	0	278,000	0	0	0
Data Switch Upgrade	Customers	15,000	0	0	0	0	0	0	0	0	0	15,000
DR Hardware Refresh Inc UPS Battery Pk (unit 3)	Customers	0	0	55,000	0	0	0	0	0	0	0	55,000
Email Encryption Software Solution	Customers	20,400	0	0	0	0	0	0	0	0	0	20,400
Enhancements to Hitchin Swim Centre facility	Place	65,000	0	0	0	0	0	0	0	0	0	65,000
Environmental Improvements	Place	147,300	0	0	0	0	0	0	0	0	0	147,300
Former Public Convenience Portmill Lane	Enterprise	25,000	0	0	0	0	0	0	0	0	0	25,000
Green Infrastructure implementation (GAF)	Regulatory	185,000	0	0	0	0	0	0	185,000	0	0	0
Grounds Maintenance Vehicles & Machinery	Resources	0	315,000	0	0	0	0	0	0	0	0	315,000
Hitchin Lairage car park - cosmetic coating to four stairwells and replacement windows and doors	Resources	0	75,000	0	0	0	0	0	0	0	0	75,000
Hitchin Swim Centre Boiler Replacement	Place	0	200,000	0	0	0	0	0	0	0	0	200,000
Hitchin Swim Centre Outdoor Pool Cover Replacement	Place	0	0	0	30,000	0	0	0	0	0	0	30,000
Hitchin Swim Centre Reception Toilet Refurbishment	Place	0	30,000	0	0	0	0	0	0	0	0	30,000
Hitchin Swim Centre: Archers Member Change and Relaxation Area Refurbishment	Place	0	0	300,000	0	0	0	0	0	0	0	300,000
Hitchin Swim Centre: Changing Village Refurbishment	Place	0	0	0	225,000	0	0	0	0	0	0	225,000
Hitchin Swim Centre: Fitness Equipment Replacement	Place	0	0	0	300,000	0	0	0	0	0	0	300,000
Hitchin Swim Centre: Fitness Facility Refurbishment	Place	0	0	0	50,000	0	0	0	0	0	0	50,000

								Funding				
		2023/24 Funding £	2024/25 Funding £	2025/26 Funding £	2026/27 Funding £	2027/28 Funding £	2028/29 - 2032/33 Funding £					
Project	Service Directorate							Funded from Other Grants	Funded from Government Grant	Funded from s106 contributions	Funded from Revenue / IT Reserve	Balance funded from Capital Receipts/ Set- aside receipts/ Borrowing
Howard Gardens Splashpad	Place	17,400	0	0	0	0	0	0	0	0	0	17,400
Howard Park Letchworth Path Resurfacing	Place	10,000	10,000	0	10,000	10,000	0	0	0	0	0	40,000
Icknield Way Cemetery Letchworth Road and Path Resurfacing	Place	100,500	0	0	0	0	0	0	0	0	0	100,500
Infrastructure Hardware	Customers	28,000	314,000	0	18,000	18,000	190,000	0	0	0	0	568,000
Installation of trial on-street charging (GAF)	Regulatory	50,000	0	0	0	0	0	0	50,000	0	0	0
Ivel Springs Footpaths	Place	10,000	0	0	0	0	0	0	0	0	0	10,000
John Barker Place, Hitchin	Regulatory	0	1,096,000	0	0	0	0	0	0	270,400	0	825,600
Lairage Multi-Storey Car Par - Structural wall repairs	Resources	25,000	88,900	0	0	0	0	0	0	0	0	113,900
Laptops - Refresh Programme	Customers	43,700	40,000	319,000	49,000	35,000	483,000	0	0	0	0	969,700
Leased Cars	Resources	0	141,000	0	0	0	0	0	0	0	0	141,000
Leisure Condition Survey Enhancements	Place	58,800	0	0	0	0	0	0	0	0	0	58,800
Letchworth Multi-storey Car Park - parapet walls, soffit & decoration	Resources	15,000	114,000	0	0	0	0	0	0	0	0	129,000
Local Authority Housing Fund	Regulatory	543,000	0	0	0	0	0	0	543,000	0	0	0
Local Authority Housing Fund Pt 2	Regulatory	1,424,000	0	0	0	0	0	0	1,424,000	0	0	0
Match funding for Electric Vehicle charging	Regulatory	100,000	0	0	0	0	0	0	0	0	0	100,000
Member Laptops Refresh Programme	Customers	30,000	0	0	30,000	0	60,000	0	0	0	0	120,000
Microsoft Enterprise Software Assurance	Customers	0	0	679,000	0	0	1,494,000	0	0	0	0	2,173,000
Mrs Howard Hall Replacement Boiler & Windows	Resources	63,000	0	0	0	0	0	0	0	0	0	63,000
Museum Storage Facility	Enterprise	0	2,000,000	2,000,000	0	0	0	0	0	0	0	4,000,000
Newmarket Road Royston Skatepark & Access	Place	100,000	0	0	0	0	0	0	0	100,000	0	0
NH Museum & Community Facility	Enterprise	0	48,300	0	0	0	0	48,300	0	0	0	0
NHLC Boiler Replacement	Place	0	200,000	0	0	0	0	0	0	0	0	200,000
NHLC Gym toilets and accessible toilet refurbishment	Place	40,000	0	0	0	0	0	0	0	0	0	40,000
NHLC Interactive Water Feature	Place	0	0	0	0	120,000	0	0	0	0	0	120,000
NHLC Pool Flume Replacement	Place	0	0	0	0	0	150,000	0	0	0	0	150,000
NHLC reconfiguration of reception area	Place	28,500	0	0	0	0	0	0	0	0	0	28,500
NHLC Soft Play	Place	112,500	0	0	0	0	0	0	0	0	0	112,500
Northern Transfer Station	Place	0	3,000,000	3,000,000	0	0	0	0	0	0	0	6,000,000
Norton Common Footpaths	Place	0	10,000	0	0	0	0	0	0	0	0	10,000
Norton Common Letchworth Tennis Courts	Place	25,000	0	0	0	0	0	0	0	0	0	25,000
Off Street Car Parks resurfacing and enhancement	Resources	40,000	60,000	50,000	59,400	0	0	0	0	0	0	209,400
Oughtonhead Common Footpaths	Place	20,000	0	0	0	0	0	0	0	0	0	20,000
Oughtonhead Common Hitchin Weir	Place	400,000	0	0	0	0	0	0	0	0	0	400,000
Oughtonhead Common Signage and Interpretation	Place	10,000	0	0	0	0	0	0	0	0	0	10,000
Parking Charging, Payments & Management	Regulatory	235,000	0	0	0	0	0	0	0	0	0	235,000
Parking Machines Replacement	Regulatory	150,000	150,000	0	0	0	0	0	0	0	0	300,000
Parking Machines Upgrade - Contactless Payment Facility Installation	Regulatory	56,000	0	0	0	0	0	0	42,000	0	0	14,000
PC's - Refresh Programme	Customers	16,300	13,000	7,000	8,000	5,000	21,000	0	0	0	0	70,300
Playground Renovation District Wide	Place	262,500	180,000	180,000	180,000	180,000	900,000	0	0	0	0	1,882,500
Private Sector Grants	Regulatory	148,100	60,000	60,000	60,000	60,000	180,000	0	0	0	0	568,100
Provide housing at market rents.	Enterprise	35,100	0	0	0	0	0	0	0	0	0	35,100
Ransoms Rec Footpaths, Gates and Railing	Place	20,000	0	0	0	0	0	0	0	0	0	20,000

								Funding				
Project	Service Directorate	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	Balance funded from Capital Receipts/ Set- aside receipts/ Borrowing
Telephony system	Customers	3,200	0	0	0	0	0	0	0	0	0	3,200
Thomas Bellamy House, Hitchin	Enterprise	64,300	0	0	0	0	0	0	0	0	0	64,300
Transport Plans implementation (GAF)	Regulatory	250,000	0	0	0	0	0	0	250,000	0	0	0
Walsworth Common Pavilion - contribution to scheme	Place	0	0	300,000	0	0	0	250,000	0	37,000	0	13,000
Waste and Street Cleansing Vehicles	Place	0	0	4,000,000	0	0	0	0	0	0	3,200,000	800,000
Weston Hills Baldock	Place	20,000	0	0	0	0	0	0	0	0	0	20,000
Weston Hills LNR Footpath Renovation	Place	20,000	0	0	0	0	0	0	0	0	0	20,000
WiFi Upgrade	Customers	0	0	40,000	0	0	0	0	0	0	0	40,000
Wilbury Hills Cemetery Footpaths	Place	15,300	10,000	0	30,000	0	0	0	0	0	0	55,300
		8,224,500	9,901,500	12,234,000	1,470,400	707,000	3,907,000	303,400	3,315,000	991,400	3,200,200	28,634,400

Treasury Management Strategy Statement and Annual Investment Strategy

**Mid-Year Review Report
2023/24**

Date of issuance: 04.10.23

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Contents

1.	Background	3
2.	Introduction	3
3.	Economics and Interest Rates	4
4.	Treasury Management Strategy Statement and Annual Investment Strategy Update.....	6
5.	The Council's Capital Position (Prudential Indicators).....	6
6.	Borrowing	8
7.	Debt Rescheduling	11
8.	Compliance with Treasury and Prudential Limits	11
9.	Annual Investment Strategy.....	11

1. Background

1.1 Capital Strategy

In December 2021, the Chartered Institute of Public Finance and Accountancy, (CIPFA), issued revised Prudential and Treasury Management Codes. These require all local authorities to prepare a Capital Strategy which is to provide the following: -

- a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services;
- an overview of how the associated risk is managed;
- the implications for future financial sustainability.

1.2 Treasury management

The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low-risk counterparties, providing adequate liquidity initially before considering optimising investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer-term cash may involve arranging long or short-term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

Accordingly, treasury management is defined as:

“The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

2. Introduction

This report has been written in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2021). The primary requirements of the Code are as follows:

1. Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
2. Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
3. Receipt by the full Council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a Mid-year Review Report and an Annual Report, (stewardship report), covering activities during the previous year.
4. Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
5. Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Council the delegated body is Finance, Audit and Risk Committee:

This mid-year report has been prepared in compliance with CIPFA's Code of Practice on Treasury Management, and covers the following:

- An economic update for the first half of the 2023/24 financial year;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Council's capital expenditure, as set out in the Capital Strategy, and prudential indicators;
- A review of the Council's investment portfolio for 2023/24;
- A review of the Council's borrowing strategy for 2023/24;
- A review of any debt rescheduling undertaken during 2023/24;
- A review of compliance with Treasury and Prudential Limits for 2023/24.

3. Economics and Interest Rates

3.1 Economics Update

- The first half of 2023/24 saw:
 - Interest rates rise by a further 100bps, taking Bank Rate from 4.25% to 5.25% and, possibly, the peak in the tightening cycle.
 - Short, medium and long-dated gilts remain elevated as inflation continually surprised to the upside.
 - A 0.5% m/m decline in real GDP in July, mainly due to more strikes.
 - CPI inflation falling from 8.7% in April to 6.7% in August, its lowest rate since February 2022, but still the highest in the G7.
 - Core CPI inflation declining to 6.2% in August from 7.1% in April and May, a then 31 years high.
 - A cooling in labour market conditions, but no evidence yet that it has led to an easing in wage growth (as the 3myy growth of average earnings rose to 7.8% in August, excluding bonuses).
- The 0.5% m/m fall in GDP in July suggests that underlying growth has lost momentum since earlier in the year. Some of the weakness in July was due to there being almost twice as many working days lost to strikes in July (281,000) than in June (160,000). But with output falling in 10 out of the 17 sectors, there is an air of underlying weakness.
- The fall in the composite Purchasing Managers Index from 48.6 in August to 46.8 in September left it at its lowest level since COVID-19 lockdowns reduced activity in January 2021. At face value, it is consistent with the 0.2% q/q rise in real GDP in the period April to June, being followed by a contraction of up to 1% in the second half of 2023.
- The 0.4% m/m rebound in retail sales volumes in August is not as good as it looks as it partly reflected a pickup in sales after the unusually wet weather in July. Sales volumes in August were 0.2% below their level in May, suggesting much of the resilience in retail activity in the first half of the year has faded.
- As the growing drag from higher interest rates intensifies over the next six months, we think the economy will continue to lose momentum and soon fall into a mild recession. Strong labour demand, fast wage growth and government handouts have all supported household incomes over the past year. And with CPI inflation past its peak and expected to decline further, the economy has got through the cost-of-living crisis without recession. But even though the worst of the falls in real household disposable incomes are behind us, the phasing out of financial support packages provided by the government during the energy crisis means real incomes are unlikely to grow strongly. Higher interest rates will soon bite harder too. We expect the Bank of

England to keep interest rates at the probable peak of 5.25% until the second half of 2024. Mortgage rates are likely to stay above 5.0% for around a year.

- The tightness of the labour market continued to ease, with employment in the three months to July falling by 207,000. The further decline in the number of job vacancies from 1.017m in July to 0.989m in August suggests that the labour market has loosened a bit further since July. That is the first time it has fallen below 1m since July 2021. At 3.0% in July, and likely to have fallen to 2.9% in August, the job vacancy rate is getting closer to 2.5%, which would be consistent with slower wage growth. Meanwhile, the 48,000 decline in the supply of workers in the three months to July offset some of the loosening in the tightness of the labour market. That was due to a 63,000 increase in inactivity in the three months to July as more people left the labour market due to long term sickness or to enter education. The supply of labour is still 0.3% below its pre-pandemic February 2020 level.
- But the cooling in labour market conditions still has not fed through to an easing in wage growth. While the monthly rate of earnings growth eased sharply from an upwardly revised +2.2% in June to -0.9% in July, a lot of that was due to the one-off bonus payments for NHS staff in June not being repeated in July. The headline 3myy rate rose from 8.4% (revised up from 8.2%) to 8.5%, which meant UK wage growth remains much faster than in the US and in the Euro-zone. Moreover, while the Bank of England's closely watched measure of regular private sector wage growth eased a touch in July, from 8.2% 3myy in June to 8.1% 3myy, it is still well above the Bank of England's prediction for it to fall to 6.9% in September.
- CPI inflation declined from 6.8% in July to 6.7% in August, the lowest rate since February 2022. The biggest positive surprise was the drop in core CPI inflation, which declined from 6.9% to 6.2%. That reverses all the rise since March and means the gap between the UK and elsewhere has shrunk (US core inflation is 4.4% and in the Euro-zone it is 5.3%). Core goods inflation fell from 5.9% to 5.2% and the further easing in core goods producer price inflation, from 2.2% in July to a 29-month low of 1.5% in August, suggests it will eventually fall close to zero. But the really positive development was the fall in services inflation from 7.4% to 6.8%. That also reverses most of the rise since March and takes it below the forecast of 7.2% the Bank of England published in early August.
- In its latest monetary policy meeting on 20 September, the Bank of England left interest rates unchanged at 5.25%. The weak August CPI inflation release, the recent loosening in the labour market and the downbeat activity surveys appear to have convinced the Bank of England that it has already raised rates far enough. The minutes show the decision was "finely balanced". Five MPC members (Bailey, Broadbent, Dhingra, Pill and Ramsden) voted for no change and the other four (Cunliffe, Greene, Haskel and Mann) voted for a 25bps hike.
- Like the US Fed, the Bank of England wants the markets to believe in the higher for longer narrative. The statement did not say that rates have peaked and once again said if there was evidence of more persistent inflation pressures "further tightening in policy would be required". Governor Bailey stated, "we'll be watching closely to see if further increases are needed". The Bank also retained the hawkish guidance that rates will stay "sufficiently restrictive for sufficiently long".
- This narrative makes sense as the Bank of England does not want the markets to decide that a peak in rates will be soon followed by rate cuts, which would loosen financial conditions and undermine its attempts to quash inflation. The language also gives the Bank of England the flexibility to respond to new developments. A rebound in services inflation, another surge in wage growth and/or a further leap in oil prices could conceivably force it to raise rates at the next meeting on 2 November, or even pause in November and raise rates in December.
- The yield on 10-year Gilts fell from a peak of 4.74% on 17 August to 4.44% on 29 September, mainly on the back of investors revising down their interest rate expectations. But even after their recent pullback, the rise in Gilt yields has exceeded the rise in most other Developed Market government yields since the start of the year. Looking forward, once inflation falls back, Gilt

yields are set to reduce further. A (mild) recession over the next couple of quarters will support this outlook if it helps to loosen the labour market (higher unemployment/lower wage increases).

- The pound weakened from its cycle high of \$1.30 in the middle of July to \$1.21 in late September. In the first half of the year, the pound bounced back strongly from the Truss debacle last autumn. That rebound was in large part driven by the substantial shift up in UK interest rate expectations. However, over the past couple of months, interest rate expectations have dropped sharply as inflation started to come down, growth faltered, and the Bank of England called an end to its hiking cycle.
- The FTSE 100 has gained more than 2% since the end of August, from around 7,440 on 31 August to 7,608 on 29 September. The rebound has been primarily driven by higher energy prices which boosted the valuations of energy companies. The FTSE 100's relatively high concentration of energy companies helps to explain why UK equities outperformed both US and Euro-zone equities in September. Nonetheless, as recently as 21 April the FTSE 100 stood at 7,914.

3.2 Interest Rate Forecasts

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

The latest forecast on 25 September sets out a view that short, medium 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.

Our PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps, calculated as gilts plus 80bps) which has been accessible to most authorities since 1 November 2012.

Link Group Interest Rate View	25.09.23													
	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	
BANK RATE	5.25	5.25	5.25	5.00	4.50	4.00	3.50	3.00	2.75	2.75	2.75	2.75	2.75	
3 month ave earnings	5.30	5.30	5.30	5.00	4.50	4.00	3.50	3.00	2.80	2.80	2.80	2.80	2.80	
6 month ave earnings	5.60	5.50	5.40	5.10	4.60	4.10	3.60	3.10	2.90	2.90	2.90	2.90	2.90	
12 month ave earnings	5.80	5.70	5.50	5.20	4.70	4.20	3.70	3.20	3.00	3.00	3.00	3.00	3.00	
5 yr PWLB	5.10	5.00	4.90	4.70	4.40	4.20	4.00	3.90	3.70	3.70	3.60	3.60	3.50	
10 yr PWLB	5.00	4.90	4.80	4.60	4.40	4.20	4.00	3.80	3.70	3.60	3.60	3.50	3.50	
25 yr PWLB	5.40	5.20	5.10	4.90	4.70	4.40	4.30	4.10	4.00	3.90	3.80	3.80	3.80	
50 yr PWLB	5.20	5.00	4.90	4.70	4.50	4.20	4.10	3.90	3.80	3.70	3.60	3.60	3.60	

4. Treasury Management Strategy Statement and Annual Investment Strategy Update

The Treasury Management Strategy Statement, (TMSS), for 2023/24 was approved by this Council on 23/02/23

- There are no policy changes to the TMSS; the details in this report update the position in the light of the updated economic position and budgetary changes already approved.

5. The Council's Capital Position (Prudential Indicators)

This part of the report is structured to update:

- The Council's capital expenditure plans;
- How these plans are being financed;
- The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow; and
- Compliance with the limits in place for borrowing activity.

5.1 Prudential Indicator for Capital Expenditure

This table shows the revised estimates for capital expenditure and the changes since the capital programme was agreed at the Budget.

Capital Expenditure by Service	2023/24 Working Estimate £'000	Current Position £'000	2023/24 Revised Estimate £'000
Advances	1,096	0	0
Asset Management	360	38	393
CCTV	150	0	150
Community Services	514	81	514
Computer Software and Equipment	274	20	474
Corporate Items	726	53	2,150
Growth Fund Projects	713	0	713
Leisure Facilities	2,854	459	2,777
Museum & Arts	2,048	0	0
Parking	1,390	0	701
Renovation & Reinstatement Grant Expenditure	148	0	148
Waste	165	72	165
Total capital expenditure	10,438	723	8,185

5.2 Changes to the Financing of the Capital Programme

The table below draws together the main strategy elements of the capital expenditure plans (above), highlighting the original supported and unsupported elements of the capital programme, and the expected financing arrangements of this capital expenditure. The borrowing element of the table increases the underlying indebtedness of the Council by way of the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision). This direct borrowing need may also be supplemented by maturing debt and other treasury requirements.

Capital Expenditure	2023/24 Working Estimate £m	Current Position £m	2023/24 Revised Estimate £m
Total capital expenditure	10,438	451	8,185
Financed by:			
Capital receipts and Set Aside Receipts	8,070	359	4,711
Other third party grants and contributions	1,582	55	2,958
S106 Receipts	786	37	516
Revenue			
Total financing	10,438	451	8,185
Borrowing requirement	0	0	0

5.3 Changes to the Prudential Indicators for the Capital Financing Requirement (CFR), External Debt and the Operational Boundary

The table below shows the CFR, which is the underlying external need to incur borrowing for a capital purpose. It also shows the expected debt position over the period, which is termed the Operational Boundary.

Prudential Indicator – the Operational Boundary for external debt

	2023/24 Original Estimate £m	Current Position £m	2023/24 Revised Estimate £m
Prudential Indicator – Capital Financing Requirement			
Total CFR	-1.469	-2.662	-2.092
Prudential Indicator – the Operational Boundary for external debt			
Borrowing		357	
Other long-term liabilities*		837	
Total debt (year end position)	3.000	1.194	3.000

*finance leases.

5.4 Limits to Borrowing Activity

The first key control over the treasury activity is a prudential indicator to ensure that over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose. **Gross external borrowing** should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2023/24 and next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy for borrowing in advance of need which will be adhered to if this proves prudent.

A further prudential indicator controls the overall level of borrowing. This is **the Authorised Limit** which represents the limit beyond which borrowing is prohibited and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

Authorised limit for external debt	2023/24 Original Indicator £m	Current Position	2023/24 Revised Indicator
Total	8.000	1.194	8.000

6. Borrowing

The Council's capital financing requirement (CFR) for 2023/24 is -£1.469m. The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing), or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. Table 5.4 shows the Council has borrowings (including leases) of £1.194m and based on revised Capital expenditure is estimated to utilise £0.627m of cash flow funds in lieu of borrowing in 23/24. This is a prudent and cost-effective approach in the current economic climate but will require ongoing monitoring if further upside risk to gilt yields prevails.

It is anticipated that further borrowing will not be undertaken during this financial year.

Loans Outstanding at 30 September 2023:

	Amount	Average Interest Rate
	£k	%
Public Works Loans Board	357	10.38

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 2024 (Forecast)	0.347	0.224	0	0.571	2.0	7.0
31 st March 2025 (Forecast)	0.325	0.106	0	0.431	2.0	7.0
31 st March 2026 (Forecast)	7.684	4.100	7.379	4.405	13.0	18.0
31 st March 2027 (Forecast)	8.771	3.592	8.850	3.513	14.0	19.0
31 st March 2028 (Forecast)	9.021	3.082	9.557	2.546	14.0	19.0

* 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.

Maturity Period	Lower %	Upper %
Under 12 months	0	100
12 months to 2 years	0	100
2 years to 5 years	0	100
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
2023/24	0.037	17.429	0.212
2024/25	0.036	19.612	0.184
2025/26	0.367	18.545	1.979
2026/27	0.431	18.464	2.334
2027/28	0.462	18.491	2.499

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
2023/24	0.037	3.014	-2.977	17.429	-17.080
2024/25	0.036	1.021	-0.985	19.612	-5.022
2025/26	0.367	0.533	-0.166	18.545	-0.895
2026/27	0.431	0.490	-0.059	18.464	-0.320
2027/28	0.462	0.471	-0.009	18.491	-0.049

7. Debt Rescheduling

No debt rescheduling was undertaken during the quarter.

8. Compliance with Treasury and Prudential Limits

It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. During the half year ended 30 September 2023, the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement for 2023/24. 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.

9. Annual Investment Strategy

The Treasury Management Strategy Statement (TMSS) for 2023/24, which includes the Annual Investment Strategy, was approved by the Council on **23/02/23**. In accordance with the CIPFA Treasury Management Code of Practice, it sets out the Council's investment priorities as being:

- Security of capital
- Liquidity
- Yield

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

Creditworthiness.

Following the Government's fiscal event on 23 September 2022, both S&P and Fitch placed the UK sovereign debt rating on Negative Outlook, reflecting a downside bias to the current ratings in light

of expectations of weaker finances and a challenging economic outlook. Nothing further has evolved in the first half of 2023/24.

Investment Counterparty criteria

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

CDS prices

It is noted that sentiment in the current economic climate can easily shift, so it remains important to undertake continual monitoring of all aspects of risk and return in the current circumstances.

Investment balances

The average level of funds available for investment purposes during the first half of the financial year was **£54.7m**. These funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the capital programme. The Council holds **£20m** core cash balances for investment purposes (i.e., funds available for more than one year).

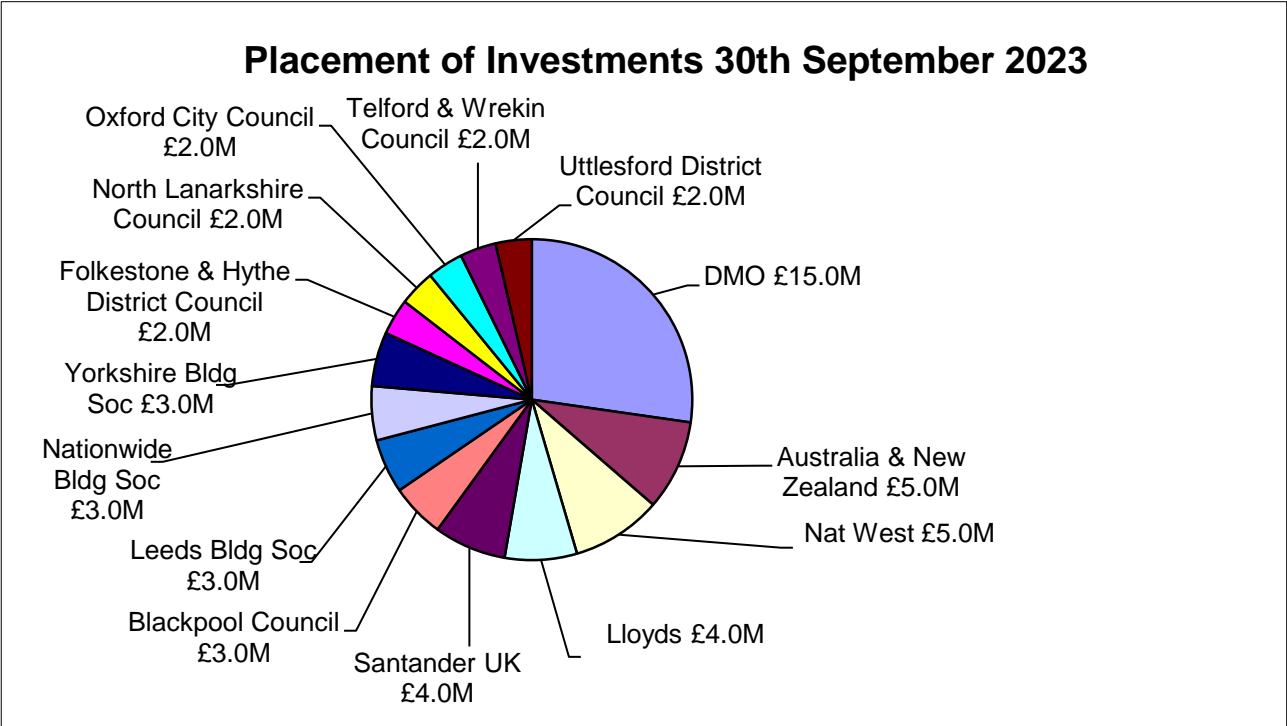
	Amount £	Average Interest Rate %
Managed By NHDC		
Banks	18,000,000	4.86
Building Societies	9,000,000	5.07
Local Authorities	13,000,000	5.19
Government	15,000,000	5.23
Total	55, 000,000	5.06

In percentage terms, this equates to:

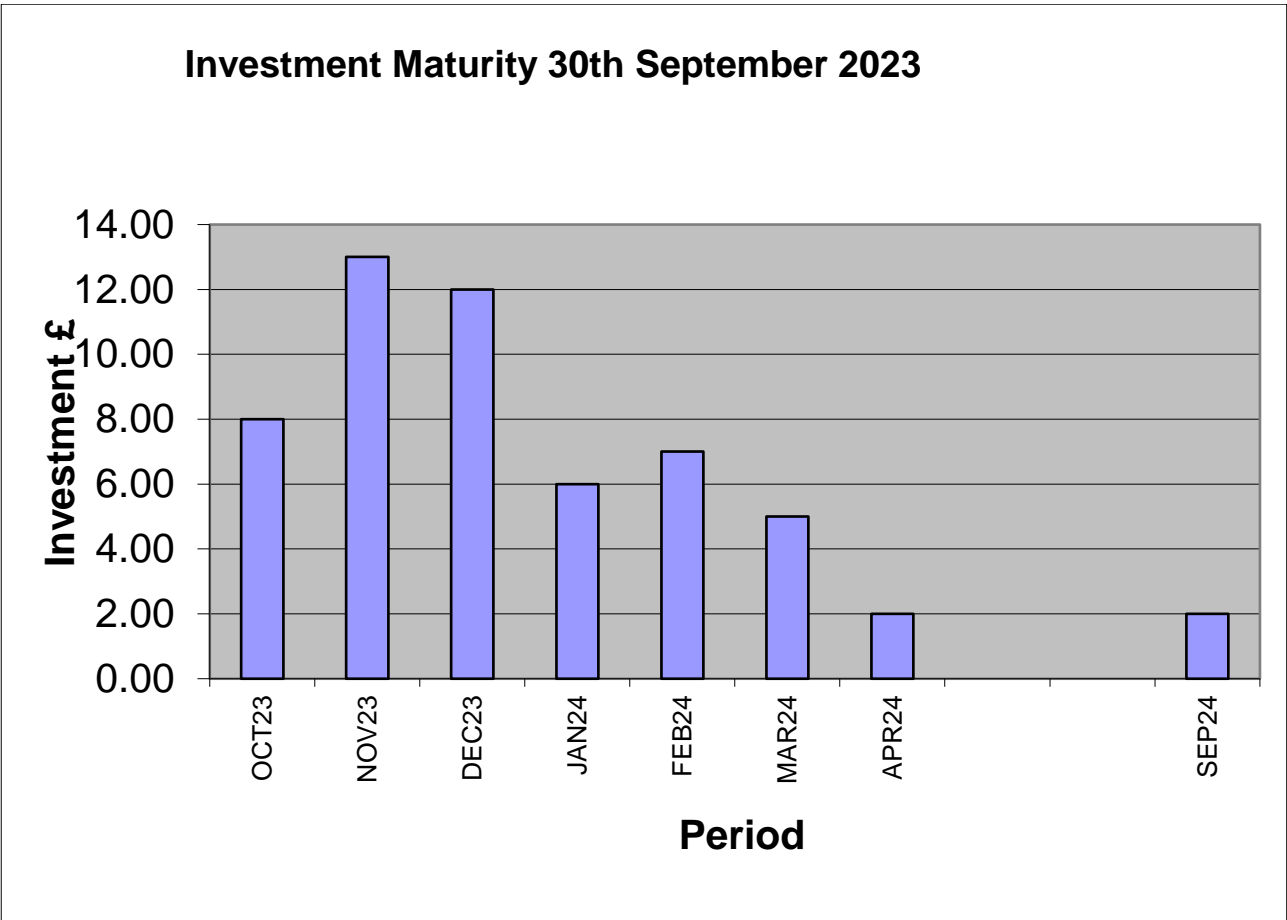
	Percentage
Government	27
Banks	33
Local Authorities	24
Building Societies	16

The approved 23/24 strategy is that no more than 60% of investments should be placed with Building Societies and Property Funds with a maximum value of £25M. The value at 30 September was £9M.

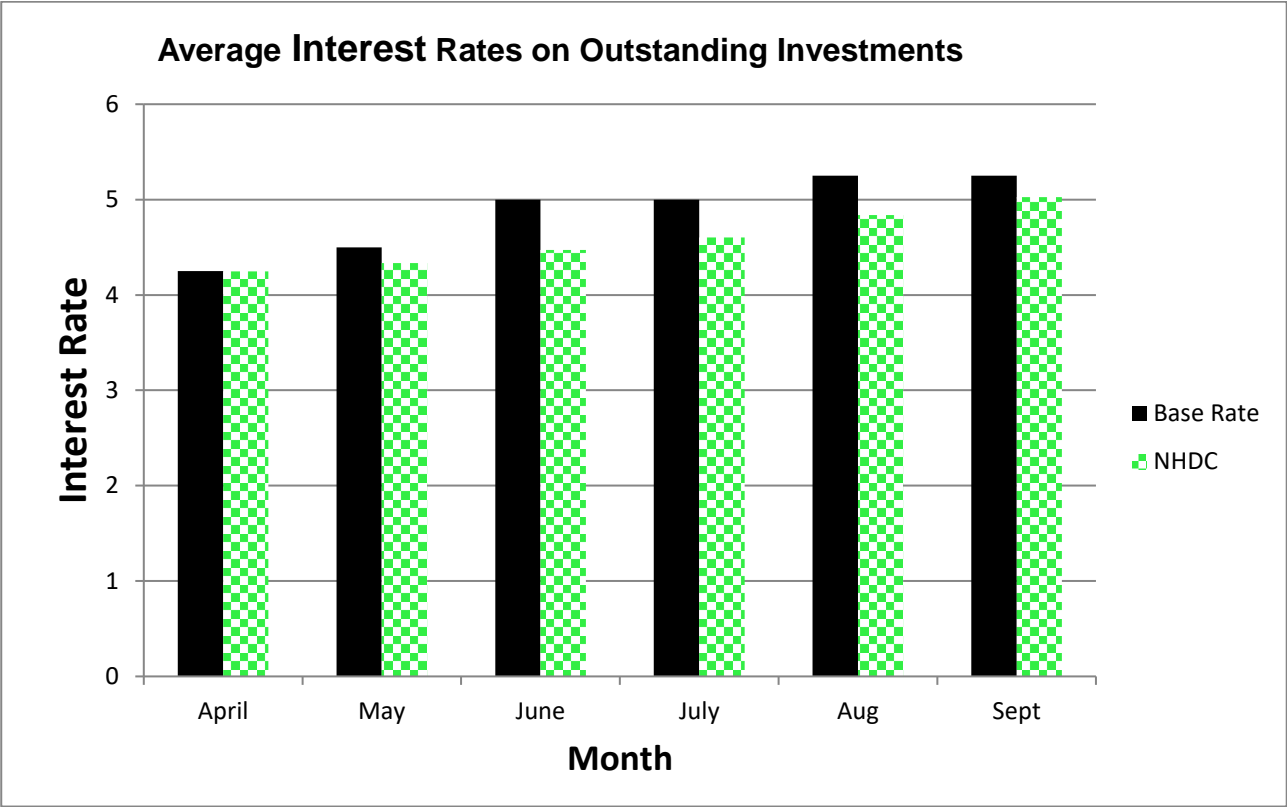
The pie chart below shows the spread of investment balances at 30 September 2023. This is a snapshot in time that demonstrates the diversification of investments.



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



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



Approved limits

Officers can confirm that the approved limits within the Annual Investment Strategy were not breached during the period ended 30 September 2023.

COUNCIL
25 January 2024

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: CONSTITUTIONAL AMENDMENT REPORT

REPORT OF: THE SERVICE DIRECTOR LEGAL AND COMMUNITY & MONITORING OFFICER

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

COUNCIL PRIORITY: **People First**

1. EXECUTIVE SUMMARY

1.1 This report covers proposed:

- Changes to section 8 Planning Control Committee's Terms of Reference:
- Removal of Appendices 1-2 to Section 8, with these to be incorporated in a new Procedure document (**Appendix A**), with the aim of addressing issues that have arisen during the last year.
- Minor change to section 14 delegations for some Service Directors – regarding attestation of the Common seal.

NB this item has been deferred from the Council meeting of 23 November 2023 ([see 246](#)) and subsequently the Area Forum recommendation 2.6, for noting, has been dealt with by [Delegated Decision 6 December 2023](#) and therefore removed from this version of the earlier report.

2. RECOMMENDATIONS

That Full Council:

- 2.1. Approves the proposed amendments to the Planning Control Committee's Terms of Reference as per 8.1 of this report.
- 2.2. Approves the removal of Appendices 1-2 to Section 8 of the Constitution;
- [If recommendation 2.2 approved, 2.3-2.4]*
- 2.3. Notes the proposed Procedure for Speaking at the Planning Control Committee (**Appendix A**);
- 2.4. *Agrees to the principle, that if the Procedure at 2.2 requires further amendment, that the Monitoring Officer may do so in consultation with the Chair and Vice Chair of Planning Control Committee, and the Group Leaders.*
- 2.5. Approves the amendments detailed in 8.7 regarding delegations to attest the affixing of the Council's Common seal.

3. REASONS FOR RECOMMENDATIONS

- 3.1. Recommendations 2.1-2.3 are to deal with a number of situations that have arisen over the last year (or so). Recommendation 2.3-2.4 allows for greater flexibility to update a Council Procedure, rather than making this a Constitutional matter, when amendments are required. Recommendation 2.5 is for practical resource reasons for attesting/ sealing documents.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. None proposed, other than, in respect of Appendices 1-2 to Section 8 of the Constitution, that these could remain a Constitutional document. However, this makes, what is a procedure for engagement, inflexible.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1. The Chair, Vice Chair of Planning Control Committee, Executive Member for Planning (and a Group Leader), and Leader, Opposition Group Leader were consulted, on all the proposed changes prior to Appendix A being finalised.
- 5.2. After the meeting of 23 November, the amendments set out in the Supplementary Document were circulated to the Chair, Vice Chair and Group Leaders for consideration on 8 December.

6. FORWARD PLAN

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

7. BACKGROUND

Recommendations 2.1-2.4

- 7.1 The review of arrangements, follows issues that have arisen regarding public and Member engagement / speaking at Planning Control Committee, summarised as:
- Which Members can request Planning Control Committee to determine an application ('call-in'/ 'called-in') an application;
 - Who can then speak if they do so/ priority of those allowed to speak, if the Member has called in an application e.g., if they are a Ward Member/ are not a Ward Member;
 - Having to register to speak if you have successfully called in the application;
 - Not having a set 'protected' slot for the applicant/ agent;
 - Who can represent the community as Ward Advocate – if a Ward Member has an interest;
 - Exercising a Councillor Speaking Right if a Member has an interests/ and conflict between different Codes in the Constitution;
 - Those on Committee who have potentially predetermined the matter/ have the appearance of bias;
 - Inconsistencies in the Code of Conduct/ Planning Code and the Appendices to section 8.

Recommendation 2.5

- 7.2 Currently the position is that the Managing Director, Service Director Resources, Service Director Legal & Community, and qualified lawyers can attest (sign) a document that has been sealed.

8. RELEVANT CONSIDERATIONS

Recommendations 2.1

- 8.1. The proposed change to the Planning Control Committee's Term of Reference at 8.4.5 (c)(iii) are as follows:

- (iii) within three (3) weeks of the matter appearing in the weekly lists of applications a Ward Member¹⁹ requests in writing the matter to be determined by the Committee:
- 1 detailing the reasons, which in the opinion of the Development Conservation Manager and the Chair of the Planning Control Committee are based upon one or more valid material planning considerations;
and
 - 2 detailing the reasons that the matter is in the wider public interest.

Where a Ward Member makes such a request they should attend the relevant Committee meeting to present their reasons/grounds to the Committee. If they are unable to attend the relevant Committee meeting the Member must arrange for another member to present on their behalf or provide a written statement presenting their reasons/grounds, otherwise the item may be deferred.

- (d) applications submitted by the Council for its own development other than those for which no objection has been received;
- (e) the granting of orders to revoke or modify planning permissions where compensation may be payable;
- (f) the granting of certificates of alternative development;
- (g) any application made by an elected member of the Council;
- (h) any application made by an employee of the Council where applications are other than for householder development;
- (i) any application for householder²⁰ development made by an employee of the Planning and Building Control Service or Chief Officer²¹;
- (j) to receive updates on Planning Appeals lodged and Appeal Decisions made;
- (k) to receive quarterly updates on planning enforcement matters;
- (l) to consider whether to confirm tree preservation orders to which objections have been received.

¹⁹ „Ward Member with an Other Registrable, or non-Registrable Interest and/or Disclosable Pecuniary Interest must not be involved in the request to refer to Committee. In a single Member Ward, another District Councillor can request referral.

²⁰ A Ward Member with an Other Registrable, or non-Registrable Interest and/or Disclosable Pecuniary Interest must not be involved in the request to refer to Committee. In a single Member Ward, another District Councillor can request referral.

- 8.2. The proposed changes would mean:

- that a request for the Planning Control Committee to determine certain applications ('call-in') would fall to Ward Members for the particular ward in which the application was sited. If that is a *single ward*, and the Member has an interest, or sits on the and cannot therefore call-in, then another nominated Member can do so.
- that the Development Control Manager (as opposed to Service Director) and the Chair of the Committee, determines whether a call-in is valid.
- footnote clarifications to all relevant Councillor interests under the Code of Conduct and the ability to call-in, if such interests arise [note an alternative nominated Member may do so].

Recommendation 2.2

- 8.3. The Procedure for speaking at the Planning Committee appended at A to this report, is based upon Appendices 1-2 to section 8 to the Constitution. However it has been updated to an amalgamated version for the public and non-Members of the Committee. It is drafted on the basis that Ward Member(s) call-in; the first Ward Member does not then have to register to vote and there is a priority agreed allocation scheme for other Members to potentially do so (with the agreement of the Chair). There is a speaking slot for the applicant/ agent (if they register to speak), which provides additional protection for the Council, as currently if there are supporters, then *potentially* the applicant/ agent must seek their agreement to speak on their own application, if they are not the first to register.
- 8.4. The Procedure at Appendix A has (as stated in 5.1) been considered by relevant senior Members, and will (subject to comments from Council), be the version used for future Planning Control Committees. However, Full Council believe that some further amendments to Appendix A are required, then subject to reasoned comments, can be finalised post Council by the Monitoring Officer, in consultation with those set out under recommendation 2.4.
- 8.5. *Note that for information purposes only at this stage the Supplementary Document includes a version of Appendix A1, which shows all the amendments that there was notice of, the afternoon of 23 November. Obviously these will be for Members consideration and approval as per requirements for of the Council Procedure Rule 4.8.14 (g).*

Recommendation 2.5

- 8.6. The proposal is to add to all Service Directors' delegations, that they can attest the Council's Common Seal under section 14 (a) of their functions (subject to following the normal authorisation procedures in place).

9. LEGAL IMPLICATIONS

General

- 9.1. Full Council's terms of reference include "approving or adopting the Policy Framework". The Policy Framework includes the Constitution.
- 9.2. Section 37 Local Government Act 2000 requires the Council to have in place a Constitution and to keep that under review. The Local Government Act 2000 section 9P sets out the requirements of a local authority's Constitution, including the requirements to prepare it and keep it up to date and the requirement to make it available for public inspection.

10. FINANCIAL IMPLICATIONS

- 10.1 None identified in relation to the report.

11. RISK IMPLICATIONS

- 11.1. Good Risk Management supports and enhances the decision-making process, increasing the likelihood of the Council meeting its objectives and enabling it to respond quickly and effectively to change. When taking decisions, risks and opportunities must be considered.
- 11.2 Ensuring the Council has appropriate governance arrangements in place is an important risk mitigation measure. The Council's Constitution is a fundamental part of those governance arrangements.

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. Otherwise, no specific equality issues identified.

13. SOCIAL VALUE IMPLICATIONS

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

14. HUMAN RESOURCE IMPLICATIONS

- 14.1 None identified.

15. ENVIRONMENTAL IMPLICATIONS

- 15.1 None identified in respect of the specific amendments proposed.

16. APPENDICES

- 16.1 Appendix A – Procedure for Speaking at the Planning Control Committee

17. CONTACT OFFICERS

Author:

- 17.1. Jeanette Thompson, Service Director Legal and Community, Monitoring Officer, email jeanette.thompson@north-herts.gov.uk;

18. BACKGROUND PAPERS

- 17.1 Constitution see webpage <https://www.north-herts.gov.uk/council-constitution>

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Procedure for Speaking at the Planning Control Committee

1. Scope of scheme – general

- 1.1. This scheme covers the public (which includes the applicant/ agent), and generally non-Members of the Planning Control Committee (the “Committee”), who are District Councillors, and their right to speak at the Committee. It does not cover Members of the Committee, *other than* those, who have successfully requested that the application be determined by the Committee (“**call-in**” or “**called-in**”) and / or are acting as the Ward Advocate¹, or nominating someone to act as Ward Advocate, and do not then sit on the Committee that determines the application. It does not cover Officers (Council/ or e.g. Highways Officers).
- 1.2. Only those members of the public and Members of Council, who are *required to register*/ have permission or agreed to share speaking time on a planning application at the Planning Control Committee (‘Committee’) meeting (please see 2 below), can do so.
- 1.3. The scheme applies to applications, made under the Town and Country Planning, Listed Building and Conservation Area Acts and related legislation, which are the subject of a written report to a particular Committee meeting, and not to those applications which are determined under officer delegation.
- 1.4. Anyone addressing the Committee will need to have made written representations during the consultation and base your comments on issues which are **material planning considerations** relevant to the application. There is no set list, although some examples of material planning considerations may include:
 - design, appearance, and materials
 - environmental impact of the development
 - any policy in the Council’s Local Development Framework / relevant Local Plan
 - any policy in an applicable Neighbourhood Plan
 - Government planning policy guidance, circulars, orders and statutory instruments.

Issues that cannot be considered by the Committee:

Boundary disputes, private rights of way, private covenants or agreements, the applicant’s conduct, private affairs or how a business is run, the applicant’s motives (including profit), the impact on property values, suspected further development, loss of views over other people’s land or land ownership.

- 1.5. The scheme speakers are divided into “group(s)”:
 - **Objectors** – against approval of the application, the speaking time will be allocated on a first-come-first-served basis, and the right to address the Committee is confined to persons who have previously made written representations on the application (either as an individual or as part of a consulted group during the consultation).
 - **Ward Member** - who called-in the application (under section 8.4.5(c)(iii) of the Constitution), and Objector: Ward Advocate/ other Member, who is able to register and speak under 6.2 below.
 - **Supporters** – in favour of approval of the application and the right to address the Committee is confined to persons who have previously made written representations on the application (either as an individual or as part of a consulted groups during the consultation).
 - **Ward Member/ Ward Advocate/ Member** – Supporter(s) who are able to register and speak under 6.2 below.
 - **Applicant/ Agent or Representative** - for the planning application.

¹ See Constitution definition section 2.2

Procedure for Speaking at the Planning Control Committee

- 1.6. In all cases, where more than one person has registered to speak within a group, it is strongly recommended that one individual is nominated to address the Committee to make effective use of the allocated time. However, no more than two people may speak as a group on an application.
- 1.7. The time allocated to each group of speakers is 5 minutes. This time limit is strictly adhered to.
- 1.8. In the case of a Major application² or being of significant public interest, the Chair may agree to extend the speaking time allocated to each “group” to a maximum of 10 minutes. *Any request to extend the speaking time **should be made to the Chair in writing by 5pm, three clear working days prior to the meeting date.*** The Committee, Member & Scrutiny Team will be advised/ and then advise all registered speakers of the extension.
- 1.9. The Committee, Member and Scrutiny Team should receive a copy of the speaker’s verbal presentation, no later than **12 noon, the day of the meeting.** *Failure to provide a copy within this time may prevent participation at the meeting.*
- 1.10. Please note, any speech should be about the planning application – not about the applicant, agent, officers or Members. When speaking, it should be respectful and in a civil manner. The Council will not allow any inappropriate (discriminatory, offensive, or defamatory) comments about any party. Those engaging in the above, will be instructed to cease by the Chair. The Chair also has discretion to suspend a meeting for the purpose of maintaining order.
- 1.11. Persons addressing the Committee should not expect questions to be answered by the Chair, Members or Officers (unless 1.13 below applies).
- 1.12. Points of clarification may be asked by Members of the Committee, which relate to points raised during the public / Member presentation.
- 1.13. Any queries regarding the content of the Officer’s report should be raised by the public or non-Members of the Committee, in advance of the meeting with the Planning Officer directly by no later than midday of the meeting, so a suitable response can be provided at the meeting, if appropriate, in material planning terms.
- 1.14. Those under 1.2 above, wishing to speak at a meeting will be required to attend in person at the Council Chamber, District Council Offices, Gernon Road, Letchworth, SG6 3JF.

2. Registration Process

- 2.1. Persons (public or Member*) will only be allowed to address the Committee if they have registered by **5pm the day before the meeting**, but not before the agenda for the meeting has been published (i.e. no later than 5 clear working days before the meeting). If requests are made before the agenda has been published, these persons will be advised that they will need to make contact after the publication of the agenda.
- 2.2. Registration requests should be made to Committee.Services@north-herts.gov.uk in the first instance. Alternatively by phone 01462 474655.

² As defined under the Town and Country Planning (Development Management Procedure) (England) Order 2015, or replacement legislation

Procedure for Speaking at the Planning Control Committee

- 2.3. Anyone registering should confirm if their details can be appropriately shared with others within the relevant group (see 1.5), so that nominated speaker/ or time allocation can be agreed. This requirement does not apply to Members – whose *Council* contact details are available. The Committee, Member & Scrutiny Team must receive confirmation from the first registered speaker, if they choose to share their time.

**Please note the Ward Member who called-in the application, does not need to register to speak, as per 6.1 below*

3. Procedure at Meetings

- 3.1. Those persons who have registered to speak should arrive at least 15 minutes before the meeting to contact the Committee, Member & Scrutiny Services Officer.
- 3.2. At the appropriate point in the meeting, the Chair announces the item and invites the Planning Officer to speak.
- 3.3. The Planning Officer presents the proposal. Committee Members are invited to ask questions of the Planning Officer.
- 3.4. Objectors: The representative(s) of those persons objecting to the application is/are invited to address the Committee.
- 3.5. The Committee may ask points of clarification of the speaker(s). The Chair can decline to put a point of clarification if they consider this to not be a point of clarification, irrelevant in planning terms or that this was covered in the Planning Officer's report or during any of the representations.
- 3.6. The Ward Member who called-in the application *and if shared* Objector: Ward Advocate/ other Member. Similarly points of clarification may be asked of the speaker(s) as per 3.5
- 3.7. Supporter(s): The representative(s) of those persons is/are invited to address the Committee. Similarly points of clarification may be asked of the speaker(s) as per 3.5.
- 3.8. Ward Member/ Ward Advocate/ Member – Supporter (subject to 6.2) of the application is/are invited to address the Committee. Similarly points of clarification may be asked of the speaker(s) as per 3.5.
- 3.9. The Applicant, Applicant's Agent or representative is/are invited to address the Committee. Points of clarification may be asked of the speaker(s) as in 3.5.
- 3.10. The Chair will invite the Planning Officer to comment on any of the issues raised during the above.
- 3.11. The Committee will debate the proposal and then make its decision.

4. Circulation of Documents

- 4.1. The public / Members will not be allowed to distribute documents at the meeting itself and they should not normally approach Members of the Committee before or during the meeting. Any documentations should already have been provided during the consultation period.

Procedure for Speaking at the Planning Control Committee

- 4.2. Note: Supplementary documents from Planning Officers or consultees received following the agenda publication, will be compiled, and published as one update after **4pm on the day before the meeting**. Any documents received after this will not be supplied as a supplementary document to the agenda and the Planning Officer will provide as a verbal update at the meeting.

5. If the planning application is deferred

- 5.1 If a proposal is deferred after public speaking has occurred on that item, there is no automatic entitlement to speak when it comes back to Committee. Previous presentations will be taken into account. However, if the public/ Member wish to speak again, they will need to register to speak again on the deferred application as per 2 above.

6. Non-Committee Member speaking at Planning Control Committee (& Committee Members who call-in and speak to/ acting as Ward Advocate).

- 6.1. The right of non-Planning Control Committee Members to speak at the Committee is, in the first instance, allocated to the (first) Ward Member from the ward in which the application is situated, who called-in the application to the Committee (**in compliance with the Committee's terms of reference**). The Ward Member who called in the application is not required to register with the Committee, Member & Scrutiny Team. They are, however, required to attend the meeting to present their reasons/ grounds to the Committee. If they are unable to, the Member must arrange for another Member to present on their behalf (and notify the Committee, Member & Scrutiny Team), or provide a written statement presenting their reasons/grounds (which the Chair will read out), otherwise the item may be deferred.
- 6.2. Other non-Planning Control Committee Members' requests to speak, will be considered by the Chair in the following circumstances, and may be entitled to speak, after registration, in this priority order:
- **If not called-in under 6.1**: the **Objector** Ward Advocate/ Member(s) in whose ward the application site is located (this is subject to the first to register to speak, agreeing to share time within that group); the **Supporter** Ward Advocate/ Member(s) in whose ward the application site is located (this is subject to the first to register to speak agreeing to share time within that group);
 - **if 6.1 call-in applies**: (subject to the Ward Member under 6.1 agreeing to share time), Other Ward Advocate/ Member(s) in whose ward the application site is located;
 - On applications in Wards where all relevant Ward Members serve on the Planning Control Committee (including single Member Wards), such Members may nominate another Member³ to the Committee, Member & Scrutiny Team, in advance of the deadline, to be registered and address the Committee in the role of Ward Advocate either for or against an application. Where this is a single Member ward application site, *that nominated Member will have priority over other Members within the Objector, or Supporter category registering to speak. If that nominated Member has called-in the application they would fall under 6.1.*
 - Applications which are Major⁴ or of significance within the wider area, other Members may address the Committee, in addition to the relevant Ward Member(s) if the Chair agrees in writing, in advance of the meeting;

³ This should be agreed with the Member in advance and ensure that Member can attend.

⁴ As defined under the Town and Country Planning (Development Management Procedure) (England) Order 2015, or replacement legislation

Procedure for Speaking at the Planning Control Committee

Conflicts of interest/ Predetermination/ bias or apparent bias

- 6.3 Any Member who has an interest (Disclosable Pecuniary Interest – DPI, Other Registrable Interest- ORI; or non-Registrable Interest - NRI, should comply with the requirements of the Councillor Code of Conduct and Planning Code of Good Practice that applies at the time of the meeting. *In the event of conflicting language in Codes, the Councillor Code of Conduct prevails and a Member should seek advice from the Monitoring Officer / Deputy on its interpretation prior to involvement in the planning process.*
- 6.4 **Please note**, a Member with an interest should not call in an application nor act as a Ward Advocate, or determine an application. They may register to speak to exercise a Councillor's Speaking Right if they have an ORI, or NRI, *subject to 6.2 above*, although a Member is strongly encouraged to appoint another Member to represent them at the Committee. A Councillor Speaking Right does not apply when a Member has a DPI, and a Member should not attend/ remain during such an item, without a dispensation from the Monitoring Officer. ***If the Member attends the meeting and is exercising a Speaking Right or has a Dispensation, they must still declare the interest(s) they have prior to speaking at the meeting.*** More details on the Code requirements can be found in sections 8 and 17 of the Constitution.
- 6.5 A Member of the Committee, who has called-in an application and intends to act as Ward Advocate (and does not have an interest) may do so. If they do so, they cannot then sit or be involved in any related determination of the application, at that meeting, or if deferred, at a later meeting when the application is finally determined (even if they choose not to register to speak at the later meeting(s)).
- 6.6 Any non-Planning Control Committee Member, who does not have an interest, who has expressed a view for or against an application may potentially request determination by a Committee – if this complies with the Committee's Terms of Reference. Other Members may apply to speak as per 6.2. This does not apply to Planning Control Committee Members who have expressed such views *and are therefore excluded* from participating in the Planning Control Committee decision making process. Whilst it is possible to register to speak on such planning applications, such Members should seek advice from the Monitoring Officer/ Deputy (or relevant Planning Lawyer) in advance of doing so.

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NORTH HERTFORDSHIRE DISTRICT COUNCIL
COUNCIL

THURSDAY, 25TH JANUARY 2024

SUPPLEMENTARY DOCUMENT

Please find attached supplementary papers relating to the above meeting, as follows:

Agenda No Item

12. **CONSTITUTION AMENDMENT REPORT**

Amendments to be proposed at the Council meeting regarding changes to the constitution.

Proposed amendments from Councillor Collins and Councillor Jarvis:

Changes to recommendations 2.1, 2.2 and 2.3

Proposed amendments from Councillor Levett and Councillor Compton:

The deletion of recommendation 2.5.
Amendments to Appendix A
Amendment to section 1.9
Amendment to section 1.14

NB Appendix A1 of the Proposed Procedure showing ALL the amendments *if these were all approved* (pages 6-9).

Proposed changes from Councillor Collins and Councillor Jarvis:

NB one of these to be proposed & seconded as duplicate other than reference to 1.8/1.9

Cllr Collins & Cllr Steve Jarvis email Cllr Collins 23.11.23@9.14

Add to recommendation 2.1 to add “except that ‘Ward member’ shall be replaced with ‘Member’ and with the deletion of the words ‘otherwise the item may be deferred’ in the proposed changes to section 8.4.5(c)(iii) of the Planning Control Committee’s terms of reference.

Add to recommendation 2.3 “with the amendment to delete the words ‘Ward member who called in the application’ and replace these with ‘Ward member’ in sections 1.5, 2.3 and 3.6 of Appendix A.”

Add to recommendation 2.3 “with the amendment to replace the words ‘a copy of the speaker’s verbal presentation’ with ‘a statement of the main points of the speaker’s verbal presentation’.

Cllr Steve Jarvis@23.11.23@11.36

Item 10 Constitutional Amendment

Add to recommendation 2.1 “except that ‘Ward member’ shall be replaced with ‘Member’ and with the deletion of the words ‘otherwise the item may be deferred’ in the proposed changes to section 8.4.5(c)(iii) of the Planning Control Committee’s terms of reference.

Add to recommendation 2.3 “with the deletion of the words ‘Ward member who called in the application’ and replacement with the words ‘Ward member’ in sections 1.5, 2.3 and 3.6 of Appendix A.”

*Add to recommendation 2.3 “with the deletion of the words ‘a copy of the speaker’s verbal presentation’ and replacement with the words ‘a statement of the main points of the speaker’s verbal presentation’ **in section 1.8 of Appendix A.**”*

Proposer: Sam Collins

Seconded: Steve Jarvis

Cllr Steve Jarvis 23.11.23@12.39

Apologies, it appears that Sam and I have both submitted the amendment but with slightly different wording. I think that the only substantive difference is that my version says that it applies to Section **1.8 or Appendix A, but it should say section 1.9.**

Proposed changes from Councillor Levett and Councillor Compton:

Cllr Levett [23.11.23@16.15](#)

Proposed amendments to report

Recommendation 2.5

Delete this recommendation

Proposed: Cllr. Adam Compton

Seconded: Cllr. David Levett

Recommendation 2.3

Amend Appendix A as follows:

Sections 1.5 to 1.8 amend as follows:

Section 1.5 Bullet points 1 & 3

- **Objectors – a maximum of 3 persons** against approval of the application, the speaking time will be allocated on a first-come-first-served basis, and the right to address the Committee is confined to persons who have previously made written representations on the application (either as an individual or as part of a consulted group during the consultation).
 - **Supporters – a maximum of 3 persons** in favour of approval of the application and the right to address the Committee is confined to persons who have previously made written representations on the application (either as an individual or as part of a consulted groups during the consultation).
- 1.6. In **the case of objectors and supporters**, no more than three people may speak on an application.
- 1.7. **In the case of objectors and supporters the time allocated to each speaker is 3 minutes.** This time limit is strictly adhered to.
- 1.8. In the case of a Major application² or being of significant public interest, the Chair may agree to extend the speaking time allocated to each “group”. Any request to extend the speaking time ***should be made to the Chair in writing by 5pm, three clear working days prior to the meeting date.*** The Committee, Member & Scrutiny Team will be advised/ and then advise all registered speakers of the extension. **Any agreed extension of time shall be offered to all registered speakers.**
- 2.3. Anyone registering should confirm if their details can be appropriately shared with others within the relevant group (see 1.5), **to avoid duplication of representations.** This requirement does not apply to Members – whose Council contact details are available.

****Please note the Ward Member who called-in the application, does not need to register to speak, as per 6.1 below***

Reasons for amendment – North Hertfordshire District Council vision and priorities state:

“We value all our residents, businesses, staff, contractors, councillors, and other partners, and place them at the heart of everything we do.”

“We are an open and welcoming council, accessible to all our residents”

“We value what you have to say about our policies and plans”

The above amendments ensure that when determining planning applications the Council reinforces those commitments in a reasonable manner.

Proposed: Cllr. David Levett

Seconded: Cllr. Simon Bloxham

Section 1.9 amend as follows:

- 1.9. The Committee, Member and Scrutiny Team should receive a copy of the speaker's verbal presentation, no later than 12 noon, the day of the meeting. Failure to provide a copy within this time may prevent participation at the meeting. **A copy of the submitted presentation shall be circulated to all committee members no later than 5pm on the day of the meeting.**

Reasons for amendment – to ensure committee members have access to all submitted documentation.

Proposed: Cllr. David Levett

Seconded: Cllr. Simon Bloxham

Section 1.14 amend as follows:

- 1.14. Those under 1.2 above, wishing to speak at a meeting will be required to attend in person at the Council Chamber, District Council Offices, Gernon Road, Letchworth, SG6 3JF or wherever the meeting is being held.

Reasons for amendment - On occasion it has been necessary to hold planning control committee meetings at other venues to accommodate larger than normal public attendance or when the Council Chamber is not available. This minor amendment acknowledges and allows for that possibility

Whilst it is recognised that these meetings are also live streamed not everyone has access to that method and our vision and priorities state "We are an open and welcoming council, accessible to all our residents 24/7".

Proposed: Cllr. David Levett

Seconded: Cllr. Simon Bloxham

Procedure for Speaking at the Planning Control Committee

1. Scope of scheme – general

- 1.1. This scheme covers the public (which includes the applicant/ agent), and generally non-Members of the Planning Control Committee (the “Committee”), who are District Councillors, and their right to speak at the Committee. It does not cover Members of the Committee, *other than* those, who have successfully requested that the application be determined by the Committee (“**call-in**” or “**called-in**”) and / or are acting as the Ward Advocate¹, or nominating someone to act as Ward Advocate, and do not then sit on the Committee that determines the application. It does not cover Officers (Council/ or e.g. Highways Officers).
- 1.2. Only those members of the public and Members of Council, who are *required to register*/ have permission or agreed to share speaking time on a planning application at the Planning Control Committee (‘Committee’) meeting (please see 2 below), can do so.
- 1.3. The scheme applies to applications, made under the Town and Country Planning, Listed Building and Conservation Area Acts and related legislation, which are the subject of a written report to a particular Committee meeting, and not to those applications which are determined under officer delegation.
- 1.4. Anyone addressing the Committee will need to have made written representations during the consultation and base your comments on issues which are **material planning considerations** relevant to the application. There is no set list, although some examples of material planning considerations may include:
 - design, appearance, and materials
 - environmental impact of the development
 - any policy in the Council’s Local Development Framework / relevant Local Plan
 - any policy in an applicable Neighbourhood Plan
 - Government planning policy guidance, circulars, orders and statutory instruments.

Issues that cannot be considered by the Committee:

Boundary disputes, private rights of way, private covenants or agreements, the applicant’s conduct, private affairs or how a business is run, the applicant’s motives (including profit), the impact on property values, suspected further development, loss of views over other people’s land or land ownership.

- 1.5. The scheme speakers are divided into “group(s)”:
 - **Objectors** – a maximum of three persons against approval of the application, the speaking time will be allocated on a first-come-first-served basis, and the right to address the Committee is confined to persons who have previously made written representations on the application (either as an individual or as part of a consulted group during the consultation) and registered to speak.
 - **Objector Ward Member(s)/ Advocate (who are able to register under 6.2 below) & Member** - who called-in the application (under section 8.4.5(c)(iii) of the Constitution).
 - **Supporters** – a maximum of three persons in favour of approval of the application and the right to address the Committee is confined to persons who have previously made written representations on the application (either as an individual or as part of a consulted groups during the consultation) and registered to speak.
 - **Supporter Ward Member/ Ward Advocate/ Member** (who are able to register and speak under 6.2 below).

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¹ See Constitution definition section 2.2

APPENDIX A

Procedure for Speaking at the Planning Control Committee

- **Applicant/ Agent or Representative** - registered to speak for the planning application.

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- 1.6. In all cases, where more than one person has registered to speak within a group, it is strongly recommended that one individual is nominated to address the Committee to make effective use of the allocated time. However, no more than two Elected Members may speak in any group or three members of the public otherwise, may speak as a group on an application.

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- 1.7. The time allocated to each group of speakers is 5 minutes, other than Objector and Supporter members of the public which may be up to 9 minutes (if up to three members of the public have registered and each having 3 minutes each). This time limit is strictly adhered to.

- 1.8. In the case of a Major application² or being of significant public interest, the Chair may agree to extend the speaking time allocated to each "group" to a maximum of 10 minutes. *Any request to extend the speaking time **should be made to the Chair in writing by 5pm, three clear working days prior to the meeting date.*** The Committee, Member & Scrutiny Team will be advised/ and then advise all registered speakers of the extension. Any agreed extension of time shall be offered to all registered speakers (subject to the Member who called in).

Commented [JT1]: Cllrs Levett & Bloxham

- 1.9. The Committee, Member and Scrutiny Team should receive a statement of the main points of the speaker's verbal presentation, no later than **12 noon, the day of the meeting**. *Failure to provide a copy within this time may prevent participation at the meeting. A copy of the submitted presentation shall be circulated to all Committee members no later than 5 pm on the day of the meeting*

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Commented [JT2]: Cllrs Collins & JarvisC

Commented [JT3]: Cllrs Levett & Bloxham

- 1.10. Please note, any speech should be about the planning application – not about the applicant, agent, officers or Members. When speaking, it should be respectful and in a civil manner. The Council will not allow any inappropriate (discriminatory, offensive, or defamatory) comments about any party. Those engaging in the above, will be instructed to cease by the Chair. The Chair also has discretion to suspend a meeting for the purpose of maintaining order.

- 1.11. Persons addressing the Committee should not expect questions to be answered by the Chair, Members or Officers (unless 1.13 below applies).

- 1.12. Points of clarification may be asked by Members of the Committee, which relate to points raised during the public / Member presentation.

- 1.13. Any queries regarding the content of the Officer's report should be raised by the public or non-Members of the Committee, in advance of the meeting with the Planning Officer directly by no later than midday of the meeting, so a suitable response can be provided at the meeting, if appropriate, in material planning terms.

- 1.14. Those under 1.2 above, wishing to speak at a meeting will be required to attend in person at the Council Chamber, District Council Offices, Gernon Road, Letchworth, SG6 3JF or wherever the meeting is being held.

Commented [JT4]: Cllrs Levett & Bloxham

² As defined under the Town and Country Planning (Development Management Procedure) (England) Order 2015, or replacement legislation

APPENDIX A

Procedure for Speaking at the Planning Control Committee

2. Registration Process

- 2.1. Persons (public or Member*) will only be allowed to address the Committee if they have registered by **5pm the day before the meeting**, but not before the agenda for the meeting has been published (i.e. no later than 5 clear working days before the meeting). If requests are made before the agenda has been published, these persons will be advised that they will need to make contact after the publication of the agenda.
- 2.2. Registration requests should be made to Committee.Services@north-herts.gov.uk in the first instance. Alternatively by phone 01462 474655.
- 2.3. Anyone registering should confirm if their details can be appropriately shared with others within the relevant group (see 1.5), to avoid duplication of representations. This requirement does not apply to Members – whose *Council* contact details are available. The Committee, Member & Scrutiny Team must receive confirmation from the first registered speaker, if they choose to share their time.

**Please note the Member who called-in the application, does not need to register to speak, as per 6.1 below*

Commented [JT5]: Cllrs Levett & Bloxham

Deleted: so that nominated speaker/ or time allocation can be agreed. ...

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3. Procedure at Meetings

- 3.1. Those persons who have registered to speak should arrive at least 15 minutes before the meeting to contact the Committee, Member & Scrutiny Services Officer.
- 3.2. At the appropriate point in the meeting, the Chair announces the item and invites the Planning Officer to speak.
- 3.3. The Planning Officer presents the proposal. Committee Members are invited to ask questions of the Planning Officer.
- 3.4. Objectors: The representative(s) of those persons objecting to the application is/are invited to address the Committee.
- 3.5. The Committee may ask points of clarification of the speaker(s). The Chair can decline to put a point of clarification if they consider this to not be a point of clarification, irrelevant in planning terms or that this was covered in the Planning Officer's report or during any of the representations.
- 3.6. The Objector Ward Member(s) / Ward Advocate (subject to 6.2) and if shared the Member who called-in the application. Similarly points of clarification may be asked of the speaker(s) as per 3.5
- 3.7. Supporter(s): The representative(s) of those persons is/are invited to address the Committee. Similarly points of clarification may be asked of the speaker(s) as per 3.5.
- 3.8. The Supporter Ward Member/ Ward Advocate/ Member(s) (subject to 6.2) of the application is/are invited to address the Committee. Similarly points of clarification may be asked of the speaker(s) as per 3.5.
- 3.9. The Applicant, Applicant's Agent or representative is/are invited to address the Committee. Points of clarification may be asked of the speaker(s) as in 3.5.

Commented [JT6]: Consequential to other amendments

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Commented [JT7]: To be clearer

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APPENDIX A

Procedure for Speaking at the Planning Control Committee

3.10. The Chair will invite the Planning Officer to comment on any of the issues raised during the above.

3.11. The Committee will debate the proposal and then make its decision.

4. Circulation of Documents

4.1. The public / Members will not be allowed to distribute documents at the meeting itself and they should not normally approach Members of the Committee before or during the meeting. Any documentations should already have been provided during the consultation period.

4.2. Note: Supplementary documents from Planning Officers or consultees received following the agenda publication, will be compiled, and published as one update after **4pm on the day before the meeting**. Any documents received after this will not be supplied as a supplementary document to the agenda and the Planning Officer will provide as a verbal update at the meeting.

5. If the planning application is deferred

5.1 If a proposal is deferred after public speaking has occurred on that item, there is no automatic entitlement to speak when it comes back to Committee. Previous presentations will be taken into account. However, if the public/ Member wish to speak again, they will need to register to speak again on the deferred application as per 2 above.

6. Non-Committee Member speaking at Planning Control Committee (& Committee Members who call-in and speak to/ acting as Ward Advocate).

6.1. The right of non-Planning Control Committee Members to speak at the Committee is, in the first instance, allocated to the (first) Ward Member from the ward in which the application is situated, who registered to speak thereafter others from the Ward (where applicable) and the Member called-in the application to the Committee (**in compliance with the Committee's terms of reference**). The Member who called in the application is not required to register with the Committee, Member & Scrutiny Team. They are, however, required to attend the meeting to present their reasons/ grounds to the Committee and the Ward Members are expected to share that time with the Member who called in the application. If the Member who called in the application is unable to attend, the Member must arrange for another Member to present on their behalf (and notify the Committee, Member & Scrutiny Team), or provide a written statement presenting their reasons/grounds (which the Chair will read out), otherwise the item may be deferred.

6.2. Other non-Planning Control Committee Members' requests to speak, will be considered by the Chair in the following circumstances, and may be entitled to speak, after registration, in this priority order:

- **If not called- in under 6.1:** the **Objector** Ward Advocate/ Member(s) in whose ward the application site is located (this is subject to the first to register to speak, agreeing to share time within that group); the **Supporter** Ward Advocate/ Member(s) in whose ward the application site is located (this is subject to the first to register to speak agreeing to share time within that group);

Commented [JT8]: Consequential to Cllrs Collins & Jarvis amd

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APPENDIX A

Procedure for Speaking at the Planning Control Committee

- **If 6.1 call-in applies:** (subject to the Ward Member(s) Advocate and Member who called in the application agreeing to share time), Other Ward Advocate/ Member(s) in whose ward the application site is located;
- On applications in Wards where all relevant Ward Members serve on the Planning Control Committee (including single Member Wards), such Members may nominate another Member³ to the Committee, Member & Scrutiny Team, in advance of the deadline, to be registered and address the Committee in the role of Ward Advocate either for or against an application. Where this is a single Member ward application site, *that nominated Member will be treated as the Member who has called-in the application.*
- Applications which are Major⁴ or of significance within the wider area, other Members may address the Committee, in addition to the relevant Ward Member(s) if the Chair agrees in writing, in advance of the meeting as per 1.8.

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Conflicts of interest/ Predetermination/ bias or apparent bias

- 6.3 Any Member who has an interest (Disclosable Pecuniary Interest – DPI, Other Registrable Interest- ORI; or non-Registrable Interest - NRI, should comply with the requirements of the Councillor Code of Conduct and Planning Code of Good Practice that applies at the time of the meeting. *In the event of conflicting language in Codes, the Councillor Code of Conduct prevails and a Member should seek advice from the Monitoring Officer / Deputy on its interpretation prior to involvement in the planning process.*
- 6.4 **Please note**, a Member with an interest should not call in an application nor act as a Ward Advocate, or determine an application. They may register to speak to exercise a Councillor's Speaking Right if they have an ORI, or NRI, *subject to 6.2 above*, although a Member is strongly encouraged to appoint another Member to represent them at the Committee. A Councillor Speaking Right does not apply when a Member has a DPI, and a Member should not attend/ remain during such an item, without a dispensation from the Monitoring Officer. ***If the Member attends the meeting and is exercising a Speaking Right or has a Dispensation, they must still declare the interest(s) they have prior to speaking at the meeting.*** More details on the Code requirements can be found in sections 8 and 17 of the Constitution.
- 6.5 A Member of the Committee, who has called-in an application and is required to speak to the call in (and does not have an interest) may do so. If they do so, they cannot then sit or be involved in any related determination of the application, at that meeting, or if deferred, at a later meeting when the application is finally determined (even if they choose not to register to speak at the later meeting(s)).
- 6.6 Any non-Planning Control Committee Member, who does not have an interest, who has expressed a view for or against an application may potentially request determination by a Committee – if this complies with the Committee's Terms of Reference. Other Members may apply to speak as per 6.2. This does not apply to Planning Control Committee Members who have expressed such views *and are therefore excluded* from participating in the Planning Control Committee decision making process. Whilst it is possible to register to speak on such planning applications, such Members should seek advice from the Monitoring Officer/ Deputy (or relevant Planning Lawyer) in advance of doing so.

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³ This should be agreed with the Member in advance and ensure that Member can attend.

⁴ As defined under the Town and Country Planning (Development Management Procedure) (England) Order 2015, or replacement legislation

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