

3 November 2023

Our Ref Cabinet/14 November 2023
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To: Members of the Cabinet:

Councillor Elizabeth Dennis, Councillor Ruth Brown, Councillor Ian Albert, Councillor Amy Allen, Councillor Keith Hoskins MBE, Councillor Steve Jarvis, Councillor Sean Prendergast, Councillor Alistair Willoughby

Deputy Executive Members: Councillor Matt Barnes, Councillor Mick Debenham, Councillor Dominic Griffiths, Councillor Ian Mantle, Councillor Tamsin Thomas, Councillor Tom Tyson, Councillor Dave Winstanley

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

to be held in the

**COUNCIL CHAMBER, DISTRICT COUNCIL OFFICES, GERONON
ROAD, LETCHWORTH GARDEN CITY, SG6 3JF**

on

TUESDAY, 14TH NOVEMBER, 2023 AT 7.30 PM

Yours sincerely,

Jeanette Thompson
Service Director – Legal and Community

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

Agenda **Part I**

Item		Page
1.	APOLOGIES FOR ABSENCE	
2.	MINUTES - 19 SEPTEMBER 2023 To take as read and approve as a true record the minutes of the meeting of the Committee held on the 19 September 2023.	(Pages 5 - 18)
3.	NOTIFICATION OF OTHER BUSINESS Members should notify the Chair of other business which they wish to be discussed at the end of either Part I or Part II business set out in the agenda. They must state the circumstances which they consider justify the business being considered as a matter of urgency. The Chair will decide whether any item(s) raised will be considered.	
4.	CHAIR'S ANNOUNCEMENTS <u>Climate Emergency</u> The Council has declared a climate emergency and is committed to achieving a target of zero carbon emissions by 2030 and helping local people and businesses to reduce their own carbon emissions. A Cabinet Panel on the Environment has been established to engage with local people on matters relating to the climate emergency and advise the council on how to achieve these climate change objectives. A Climate Change Implementation group of councillors and council officers meets regularly to produce plans and monitor progress. Actions taken or currently underway include switching to green energy, incentives for low emission taxis, expanding tree planting and working to cut food waste. In addition the council is a member of the Hertfordshire Climate Change and Sustainability Partnership, working with other councils across Hertfordshire to reduce the county's carbon emissions and climate impact. The Council's dedicated webpage on Climate Change includes details of the council's climate change strategy, the work of the Cabinet Panel on the Environment and a monthly briefing on progress.	

Declarations of Interest

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

5. PUBLIC PARTICIPATION

To receive petitions, comments and questions from the public.

6. ITEMS REFERRED FROM OTHER COMMITTEES

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

7. ALLOCATION OF (ADDITIONAL) HOMELESSNESS PREVENTION GRANT

(Pages
19 - 22)

REPORT OF SERVICE DIRECTOR – HOUSING & ENVIRONMENTAL HEALTH

To review the additional in-year allocation of £199.9k of Homeless Prevention Grant for 2023/24, to support Ukrainian households and to help meet wider homelessness pressures.

8. STRATEGIC PLANNING MATTERS

(Pages
23 - 44)

REPORT OF THE SERVICE DIRECTOR – REGULATORY

To identify the latest position on key planning and transport issues affecting the District.

9. MEDIUM TERM FINANCIAL STRATEGY 2024-29

(Pages
45 - 62)

REPORT OF THE SERVICE DIRECTOR – RESOURCES

To inform Cabinet of the Medium Term Financial Strategy (MTFS) for 2024/25 to 2028/29 to guide and inform the Council's Business Planning Process. The focus is primarily on setting a budget for 2024/25, as well as determining the actions that will be necessary in setting a longer term budget following on from that.

10. EXCLUSION OF PRESS AND PUBLIC

To consider passing the following resolution: That under Section 100A of the Local Government Act 1972, the Press and Public be excluded from the meeting on the grounds that the following report will involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the said Act (as amended).

11. **WASTE, RECYCLING AND STREET CLEANSING SERVICE DESIGN - PART 2** 63 - 68
REPORT OF THE SERVICE DIRECTOR – PLACE

To inform Cabinet that officers are currently undergoing a competitive dialogue procurement and are seeking a decision from Cabinet on further service design options that can be considered in order to achieve the long-term financial sustainability of the service and the Council.

12. **WASTE, RECYCLING AND STREET CLEANSING SERVICE DESIGN - PART 1** (Pages 69 - 78)
REPORT OF THE SERVICE DIRECTOR – PLACE

To inform Cabinet that officers are currently undergoing a competitive dialogue procurement and are seeking a decision from Cabinet on further service design options that can be considered in order to achieve the long-term financial sustainability of the service and the Council.

Public Document Pack Agenda Item 2

NORTH HERTFORDSHIRE DISTRICT COUNCIL

CABINET

MEETING HELD IN THE COUNCIL CHAMBER, DISTRICT COUNCIL OFFICES, GERONON ROAD, LETCHWORTH GARDEN CITY, SG6 3JF
ON TUESDAY, 19TH SEPTEMBER, 2023 AT 7.30 PM

MINUTES

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

In Attendance: *Ian Couper (Service Director - Resources), Ian Fullstone (Service Director - Regulatory), Jeanette Thompson (Service Director - Legal and Community), Anthony Roche (Managing Director), Susan Le Dain (Committee, Member and Scrutiny Officer), James Lovegrove (Committee, Member and Scrutiny Manager), Deborah Coates (Principal Strategic Planning Officer), Andrew Figgis (Economic Development Officer) and Callum Reeve (Democratic Services Apprentice)*

Also Present: *At the commencement of the meeting approximately 12 members of the public, including registered speakers.*

204 APOLOGIES FOR ABSENCE

Audio recording – 2:26

Apologies for absence were received from Councillor Amy Allen.

205 MINUTES - 27 JUNE 2023

Audio Recording – 2:39

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

RESOLVED: That the Minutes of the Meeting of the Committee held on 27 June 2023 be approved as a true record of the proceedings and be signed by the Chair.

206 NOTIFICATION OF OTHER BUSINESS

Audio recording – 3:24

There was no other business notified.

207 CHAIR'S ANNOUNCEMENTS

Audio recording – 3:29

- (1) The Chair advised that, in accordance with Council policy this meeting was being audio recorded as well as filmed. The audio recording would be available on the NHDC website and the film recording via the NHDC YouTube channel.

- (2) The Chair reminded Members that the Council had declared a Climate Emergency. This was a serious decision and means that, as this was an emergency, all of us, Officers and Members had that in mind as we carried out our various roles and tasks for the benefit of our District. More details were included on the agenda front sheet.
- (3) The Chair reminded Members to make declarations of interest before an item, the detailed reminder about this and speaking rights was set out under Chair's Announcements on the agenda.
- (4) The Chair advised for the purposes of clarification that 4.8.23(a) of the Constitution did not apply to this meeting.
- (5) The Chair advised of a change in the order of the agenda and Agenda Item 11 would be taken ahead of Agenda Item 7.

208 PUBLIC PARTICIPATION

Audio recording – 4:58

The Chair advised that Dr Hilary Napier was present to provide a presentation for Members on the Chesfield Conservation Area which would be provided ahead of the relevant item on the Agenda.

209 ITEMS REFERRED FROM OTHER COMMITTEES

Audio recording – 5:09

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

210 DLUHC'S SINGLE HOMELESSNESS ACCOMMODATION PROGRAMME

Audio recording – 32:25

Councillor Sean Prendergast, as Executive Member for Housing and Environmental Health, presented the report entitled 'DLUHC's Single Homelessness Accommodation Programme' and advised that:

- This programme would provide a much needed service for vulnerable people with complex needs.
- It was an opportunity to meet the funding with an experienced provider in OneYMCA.
- This administration had a strong track record on this, and this gave the chance to continue this work.
- An update had been received regarding 1.3 of the report and a strong option had been identified and, with finer details to be agreed, progress was looking positive.

In response to a question from Councillor Elizabeth Dennis, Councillor Prendergast advised that the Council would always look to fund this scheme and would continue to work with OneYMCA. The finer details of future funding would need to be provided at a later stage.

During the debate, Councillor Ian Albert noted that it was critical that the Service Director – Resources and the Executive Member for Finance and IT to be involved in the process, as well as the currently listed Service Director and Executive Member. This was proposed as an amendment by Councillor Albert and seconded by Councillor Prendergast.

Having been proposed by Councillor Sean Prendergast and seconded by Councillor Alistair Willoughby, the amended motion was put to a vote, and it was:

RESOLVED:

- (1) That Cabinet noted the content of the report and subject to a site being identified approved the submission of a bid under the SHAP programme.
- (2) That Cabinet delegated to the Service Director of Housing & Environmental Health and the Service Director Resources the preparation and submission of the bid in consultation with the Executive Member for Housing & Environmental Health and the Executive Member for Finance & IT.

REASON FOR DECISIONS: There is an urgent need for high quality, accommodation-based support services for single homeless people in the district. Adopting the recommendations at 2.1 and 2.2 would allow the Council to pursue a funding opportunity which if successful, would enable the delivery of a valuable additional resource for the district, benefiting vulnerable young people at risk of rough sleeping.

211 REFUGEE RESETTLEMENT AND HOME OFFICE FUNDING UPDATE

Audio recording – 37:07

Councillor Sean Prendergast, as Executive Member for Housing and Environmental Health, presented the report entitled 'Refugee Resettlement and Home Office Funding Update' and advised that:

- The Council had a strong record on support provided to refugees.
- It was anticipated that demand would increase following changes to government policy, and it was important to be proactive in response.
- He would continue to keep Cabinet updated on progress or changes.

Councillor Ian Albert requested that the Service Director – Resources and the Executive Member for Finance and IT were to be involved in the process, as well as the currently listed Service Director and Executive Member. This was proposed as an amendment by Councillor Albert and seconded by Councillor Prendergast.

A further request to include the Executive Member for Community and Partnerships to be included in the process was rejected. In response to this, the Chair advised that meetings took place between Cabinet colleagues outside of this meeting and it was important all Cabinet members were consulted on projects, but not all needed to be involved.

In response to a question from Councillor Ruth Brown, Councillor Prendergast advised that the recommendations were trying to deal with likely pressure, so that the Council can be more focussed on meeting those demands as and when the issues occur.

The Chair noted that central government needed to support local councils and to appreciate the pressures and burdens they were under.

Councillor Sean Prendergast proposed the motion, as amended, and Councillor Alistair Willoughby seconded and following a vote, it was:

RESOLVED:

- (1) That Cabinet noted the local position regarding the resettlement of refugees and it supports more focused resettlement efforts for this client group as part of the Council's wider housing role;

- (2) That Cabinet delegated to the Service Director – Housing and Environmental Health and the Service Director – Resources in consultation with the Executive Member for Housing and Environmental Health and the Executive Member for Finance & IT, the authority to decide the allocation of Home Office funding to support the resettlement of refugees (for matters that are not reserved for Cabinet).

REASON FOR DECISIONS: There is likely to be increased demand for housing services from refugees in the foreseeable future and the recommendations in this report seek to manage this efficiently, whilst ensuring appropriate support services are in place.

212 PROPOSED OFF-STREET CAR PARKING TARIFFS FOR 2023/24

Audio recording – 44:54

Councillor Ruth Brown, as Executive Member for Planning and Transport, presented the report entitled 'Proposed Off-Street Car Parking Tariffs for 2023/24' and advised that:

- The Medium Term Financial Strategy required the Council to raise car parking charges by 2% and the discussion is around how to do this.
- Last year a 10p increase was introduced on the 1-hour rate, in order to close the gap between the 1 and 2-hour rates and encourage people to stay in towns longer.
- Over the past year there had been an increase in usage and income and phone data showed that people were staying longer.
- It was proposed that this be continued this year and further close the gap between 1 and 2-hour parking rates. This would be another 10p increase in the 1-hour rate.
- All permits and season tickets would remain the same.
- Long Stay Car Parks would stay the same, with the exception of the 5p charges. The most complaints received were about issues with 5p payments.
- Whilst over the next two years these will move to cashless machines, there were still 5p charges now and it seemed sensible to rationalise these at this stage. Most would be increased by 5p, but some car parks would be reduced by 5p.
- More EV charging points would be installed which currently did not require payment and it was felt this encouraged people to park for longer to charge their car. To reduce this impact it was proposed that a charge would be introduced for these bays as well.
- Subsidised or incentivised schemes, such as free 30 minute parking in Knebworth, would continue to be supported on a request basis, and it would be expected to break even.
- There was no requirement to consult on these proposals but these had been presented to all Area Forums, town BIDS, Royston Town Council and Knebworth Parish Council.
- There had been a mixed response from business to the proposals.
- Royston Town Council had made an overall objection, but this related to owners and workers who would not be impacted as permit rates were not being increased.

The Service Director – Resources confirmed for Members that the car parking charges were not increased to balance the budget.

The following Members asked questions:

- Councillor Ian Albert
- Councillor Steve Jarvis

In response to questions, Councillor Brown advised that:

- She agreed the need for a larger review of evening and Sunday parking charges, as there had been changes in the way people parked following the pandemic.

- To enable the review in the next two years, it was proposed to amend the TRO to cover evening and weekends now but this would be set to zero and would not currently be enforced, but this change would make it easier at a later stage.
- Permits would be reviewed in full in the future, however at the moment the focus was on alternative payments, pay on exit and EV charging projects.
- Royston Town Council had objected 2 years in a row to any parking charge increases and had not offered to subsidise this.
- Royston BID subsidised the 'Free after 3pm' scheme in Royston and this would continue for the next year. However, this was under review as the amount was based on a figure from 2010 and had not been increased.
- There was still a desire to incentivise EV and different schemes would be explored, and no introduction of EV parking charges was to take place this year.

The Service Director – Regulatory advised that if Members agreed in principle to the EV parking charges, then the final plans could be agreed with the relevant Executive Member to ensure EV was still incentivised.

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

RESOLVED:

- (1) That Cabinet agreed to adopt the proposed off-street car park tariffs for 2023/24 as set out in Tables 1 to 5 at Appendix A
- (2) That Cabinet agreed not to increase the charges for Season Tickets for each of its long stay car parks or business permits for its car park at St. Martins Road in Knebworth for 2023/24.
- (3) That Cabinet agreed not to increase the charges for resident permits, visitor permits, business permits or visitor tickets for resident permit zones for 2023/24.
- (4) That Cabinet agreed that the proposed tariff changes, as recommended and approved in paragraphs 2.1 above, are implemented as soon as practicable, and that officers in consultation with the Executive Member and Deputy for Planning and Transport proceed with the implementation as required.
- (5) That Cabinet agreed to the policy of customers paying for parking sessions whilst parked within electric vehicle charging bays.
- (6) That Officers proceeded with the necessary amendments to the Off-Street Parking Traffic Regulation Orders as required to implement changes recommended and approved above, and that officers in consultation with the Executive Member and Deputy for Planning and Transport proceed with the implementation as required.
- (7) That Cabinet agreed for officers in consultation with the Executive Member and Deputy for Planning and Transport to implement subsidy and incentive parking schemes on a break even approach on request.

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

213 STATEMENT OF COMMUNITY INVOLVEMENT - ADOPTION

Audio recording – 59:40

Councillor Ruth Brown, as Executive Member for Planning and Transport, presented the report entitled 'Statement of Community Involvement – Adoption' and advised that:

- Following the adoption of the Local Plan, this was about how communities were engaged with by the Council.
- The draft version was presented in March to go out for consultation. This had taken place and 13 responses had been received, with some minor amendments made following this.

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

RESOLVED:

- (1) That the consultation responses were noted.
- (2) That subject to recommendation 2.1, the amendments to the draft SCI are approved and that the SCI, attached as Appendix A was adopted.
- (3) That any minor amendments to the SCI, such as typographical errors, additional statutory consultees, legislation changes, were delegated to the Service Director – Regulatory in consultation with the relevant Executive Members.

REASON FOR DECISIONS: The SCI sets out how the Council consults with the local community in preparing, masterplans for the strategic sites, strategic planning documents and in determining planning applications. It also sets out guidelines for those communities involved in neighbourhood planning.

214 CHESFIELD CONSERVATION AREA

Audio Recording – 5:26

N.B. This item was considered ahead of Agenda Item 7.

Councillor Ruth Brown, as Executive Member for Planning and Transport, presented the report entitled 'Chesfield Conservation Area' and advised that:

- The purpose of a conservation area was to manage and protect areas of special interest.
- The 2016 heritage assessment for North Stevenage 1 (NS1) recommended there should be a conservation area in Chesfield, as an extension to the existing conservation area.
- Following a public consultation consultants carried out further work and made minor amendments, included at Appendix B. However, they concluded that there was enough historic evidence to merit a conservation area in this area.
- A conservation area promotes sustainable development, which was important following the declaration of the Climate Emergency at the Council.

Councillor Ruth Brown proposed the recommendations in the report.

The Chair invited Dr Hilary Napier to speak. Dr Napier thanked the Chair for the opportunity and provided Cabinet with a verbal presentation, including that:

- As a resident of the area, she was unaware of the proposed Conservation Area until November 2022, despite the report beginning in September 2021.

- They were also only made aware of the consideration of the item at this meeting on 13 September 2023 and no other resident had been provided information.
- It was good practice to involve residents in policies that impact them.
- A public consultation took place in January 2023 and the residents were unanimous in objecting to the Conservation Area proposals.
- At this meeting, Councillor Brown indicated that the proposals would not proceed without resident support.
- The main reasons provided for objections were the managing of boundaries of farmland, the impact of the nearby woodland and housing estates, as well as dangerous trees that would need felling immediately.
- The effects of NS1 was not considered within this report, and this is important as work is underway and the spoil from the development is to be deposited on the proposed Conservation Area boundary.
- There were historically significant buildings in the area, but these were covered by existing listing, and the land was protected as greenbelt. The proposed Conservation Area, therefore, made little additional protection.
- Following the resident meeting in January 2023, several responses were provided as action points, including to consult further with the ARB team at the Council regarding woodlands, expand permitted development on farmland, consider the likely effect of new developments and confirm a landscape assessment had been completed for NS1. However, no action or information had been provided on these points.
- The section of the report which covered Chesfield Park area contained inaccuracies, which had been covered by previous submissions from residents, including photographic evidence, but only summarised versions appear on the website.
- Woodland around the area is extremely patchy and housing developments were clearly visible.
- The Assistant Director of Planning at Stevenage Borough Council had advised that the immediate area around Chesfield Park had already been eroded by the development of Great Ashby, as well as pylons.
- A site visit had been arranged in May 2023, but this would be more appropriate following the completion of current ongoing developments.

In response to the presentation from Dr Napier, Councillor Brown advised she had taken part in online meetings with consultants and residents, however no officers were present at these, and could not recollect saying that this would not go ahead. She would have advised that concerns would be taken away and consulted on with Officers, as she was not an expert in these areas. Councillor Brown apologised if documents were missing from the website, and this was a genuine mistake.

The following Members asked questions:

- Councillor Ian Albert
- Councillor Steve Jarvis
- Councillor Alistair Willoughby

In response to question, Dr Napier advised:

- A letter from the Assistant Planning Officer at Stevenage Borough Council mentioned the spoil.
- Her view was that the point of the letter was that he did not see Chesfield Park as a worth place to be designated as a Conservation Area.
- The whole area, not just buildings, had been included in the proposed area, despite nearby developments being visible through woodland in the winter months.

In response to questions, the Principle Strategic Planning Officer advised:

- The letter from Stevenage Borough Council did advise that there were pylons and the presence of housing, however the overall message was in favour of the designation for Chesfield.
- The reports were all uploaded online and to the best of her knowledge all submissions had been uploaded and, other than personal details, nothing had been redacted.
- It was not standard practice to notify all consultation respondents to the decision making, it was done in the case of Dr Napier as correspondence had been taking place over summer.
- Discussions had taken place with the Development Management Manager at Stevenage which had led to this outcome. In these discussions it became apparent that they were overall supportive, with some reservations about some matters, but saw the benefit of extending the current area.
- She was not part of the Development Management Team and therefore could not advise on what was considered whether this applied to non-built environment, such as farmland, fences, etc.
- The map included in the letter from Stevenage Borough Council highlighted the area in green, which was within this proposed conservation area, but was within the civil boundary of Stevenage, known as Park Plantation.
- This area had not been included within the Stevenage conservation area as it was designated as greenspace. However, this had been queried with the consultant who advised that this should be included in these proposals.
- Applications within North Herts boundary would be weighted with the proposed conservation area. The North Stevenage site had been given weighting based on the existing Stevenage Borough Council conservation area in St Nicholas and Rectory Lane. There were no further proposed developments out towards North Herts boundary.

Councillor Albert noted that verbal agreements and discussions were not appropriate for this decision to be taken and a written response was needed to clarify the position of Stevenage Borough Council. This position was similarly expressed by Councillor Steve Jarvis, who further noted the need to understand what was affected by the proposed area.

In response to points raised, the Chair allowed Dr Napier a response, who further advised that:

- Residents wanted to know what obligations they will need to meet to secure their boundaries.
- A lot of this land was farmland, which was not a normal conservation area, and the area had been expanded to cover dense woodland, which in reality was not dense.
- It was understandable to try and protect significant buildings in an area, but this proposal goes beyond the protection of historic interests.
- Residents had not been fully informed of the proposals and a lot of uncertainty around the proposals remained.

The Chair summarised that clear themes were coming from Members that they were not at grips with the proposal and concerns regarding consultation and putting people first.

Councillor Elizabeth Dennis, as Chair, proposed to defer the item awaiting further clarification on points raised at the meeting. This was seconded by Councillor Ian Albert and, following a vote, it was:

RESOLVED: That the Chesfield Conservation Area item be **DEFERRED** to clarify the proposed conservation area and to conduct further consultation with residents to ensure the People First priority of the Council was being met.

215 **HITCHIN, LETCHWORTH AND ROYSTON BUSINESS IMPROVEMENT DISTRICT (BID) RENEWALS**

Audio recording – 1:01:21

Councillor Keith Hoskins, as Executive Member for Enterprise and Arts, presented the report entitled 'Hitchin, Letchworth and Royston Business Improvement District (BID) Renewal' and advised that:

- There had been some amendments to business plans received, including that the ballot holder was the Service Director – Customers, not the Chief Executive and the contact was with BIDs directly, not the elections team.
- These proposals qualified for Council support on many counts, especially as they represented a great partnership working arrangement between Council and businesses.
- For modest investment by the Council there was huge financial investment in the town centres by the BIDs.
- There was no new money required, though there were some inflationary increases.
- Civica would run the ballot which had cost around £12k.
- The Council was being asked to vote 'Yes' on Council owned properties in the areas. The cost of the levies would be £20k, £100k over the 5-year BID period, but this would generate £3.85million into town centres and therefore represented a superb investment.

Councillor Ian Albert noted that he welcomed this renewal report and recognised the importance of the BIDs and the work they have done in town centres. In future, it may be possible to charge the BIDs themselves to cover the costs of the renewal ballot, but this would require an e-billing option before it could proceed. Whilst some costs could be recouped, there was still a desire to see BIDs succeed and therefore the Council would not look to charge all costs to them.

In response to a question from Councillor Ruth Brown, Councillor Hoskins advised that the Hitchin industrial area had not been included, the extended area was an additional section of the High Street. The industrial area had been explored but there was little appetite to be included in the BID.

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

RESOLVED:

- (1) That Cabinet considered the BID renewal proposals for Hitchin, Letchworth and Royston, appended in A, B and C and instructs the Returning Officer to hold the BID renewal Ballots;
- (2) That Cabinet delegated the Council's voting rights in the BID renewal process to the Service Director – Customers.

REASON FOR DECISIONS: The Council is under a legal duty to comply with the BID arrangements under section 44 of the Local Government Act 2003 ("the Act"). This includes compliance with the Act and The Business Improvement Districts (England) Regulations 2004 (as amended) ("the Regulations") in respect of receipt of any BID renewal.

216 **FIRST QUARTER INVESTMENT STRATEGY (CAPITAL AND TREASURY) REVIEW 2023/24**

Audio recording – 1:09:16

The Chair invited Councillor Sean Nolan, as Chair of the Finance, Audit and Risk Committee, to present the referral on this item. Councillor Nolan advised that a point had been raised regarding potential spend on access to grants, to ensure the Council was not spending money to chase money. The Service Director – Resources had confirmed that minor amounts were being spent for large potential gain.

Councillor Ian Albert, as Executive Member for Finance and IT, presented the report entitled 'First Quarter Investment Strategy (Capital and Treasury) Review 2023/24' and advised that:

- Capital schemes were detailed in tables 2 and 3 of the report.
- The £385k Section 106 funding for social housing detailed in table 3 of the report had been allocated to the Foundation House site in Letchworth.
- Funding for the Leisure Centres solar/PV scheme had been held for now to act as match funding for government grant bids for decarbonisation scheme. This would go further than original proposals.
- The report confirmed that the Investment Strategy had been complied with.
- There had been an increase in investment income due to the general rise in interest rates, but this meant less money was available in the revenue areas of the Council.

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

RESOLVED:

- (1) That Cabinet noted the forecast expenditure of £10.438M in 2023/24 on the capital programme, paragraph 8.3 refers.
- (2) That Cabinet approved the adjustments to the capital programme for 2023/24 onwards, as a result of the revised timetable of schemes detailed in table 2 and 3, increasing the overall estimated spend in 2024/25 and beyond by £1.271M.
- (3) That Cabinet noted the position of the availability of capital resources, as detailed in table 4 paragraph 8.6 and the requirement to keep the capital programme under review for affordability.
- (4) Cabinet noted the position of Treasury Management activity as at the end of June 2023.

REASONS FOR DECISION:

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

217 FIRST QUARTER REVENUE BUDGET MONITORING 2023/24

Audio recording – 1:13:48

The Chair invited Councillor Sean Nolan, as Chair of the Finance, Audit and Risk Committee, to present the referral on this item. Councillor Nolan advised that:

- Questions were asked about the employee pay award which was still outstanding, and it was confirmed that the 4% rise was an average across the board but would depend on staff base pay amount.
- The money allocated for the Baldock Fire Recovery was only for base costs to the Council and did not cover Officer time.
- The Leisure Management Fee was getting back to pre-Covid levels, however it was difficult to forecast at this stage.

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

- The main movements were details in table 3 of the report, with the biggest being the investment income, though it was expected that interest would eventually return to normal levels.
- The larger changes were regarding the pay award, the release of the Covid-19 provision and the overestimation of inflation on the waste budget.

The Service Director – Resources advised that:

- The Council had previously been involved in Business Rate Pooling in 2022/23, however this was deemed too risky last year.
- For 2024/25 the Council had been invited by DLUHC to form a pool.
- Work had been commission with Herts County Council and other district councils to see what would be in the best interests. The pool would always include County with potential for 3 to 5 districts to join.
- The early indication was that a pool would be beneficial and North Herts could be part of this.
- Pooling would give the Council the chance to reduce Business Rate payments to the government and retain this in the local district and county.

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

RESOLVED:

- (1) That Cabinet noted this report.
- (2) That Cabinet approved the changes to the 2023/24 General Fund budget, as identified in table 3 and paragraph 8.2, a £1.119million decrease in net expenditure.
- (3) That Cabinet noted the changes to the 2024/25 General Fund budget, as identified in table 3 and paragraph 8.2, a total £270k increase in net expenditure. These will be incorporated in the draft revenue budget for 2024/25.
- (4) That Cabinet delegated to the Service Director: Resources (in consultation with the Executive Member for Finance and IT) authority to enter into a Business Rate Pooling arrangement (if available) if it is estimated that it will be in the financial interests of the Council.

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

218 Q1 23-24 UPDATE ON THE COUNCIL DELIVERY PLAN

Audio recording – 1:18:50

The Chair advised that a referral on this item had been provided from the Overview and Scrutiny Committee, however Councillor Val Bryant was unavailable to present this. Therefore, the Chair presented the referral and advised that:

- There was a relatively light agenda at this meeting and so Members were able to pay close attention to this report.
- There were a lot of comments and feedback on some date and milestone slippages on certain projects. The Controls, Risk and Performance Manager had provided some detail regarding these.
- Councillor Ralph Muncer had several questions on projects which were not put at the meeting. These were submitted in writing and a response had since been provided by Officers and these would be circulated to Executive Members.
- The Scrutiny Committee was a valuable space and it was important for those members to be able to ask questions and she had provided an apology to Councillor Muncer, as well as the Leader of the Opposition, for this not happening at the meeting.

Councillor Ian Albert, as Executive Member for Finance and IT, presented the report entitled 'Q1 23-24 Update on the Council Delivery Plan' and advised that:

- This report helps all Councillors understand the projects the Council was undertaking and the progress made.
- Staff resources were impacting on the delivery of the Council Delivery Plan.
- A workshop on recruitment and retention was being held by the East of England Local Government Association in November and he would attend this to try and address some of these issues.
- It was important to identify the main priorities within the Council Delivery Plan.
- Needed to consider the presentation of the report to ensure the right information was being provided.

The Service Director – Resources continued that:

- The yellow highlighting within the report indicated that a change to a milestone had been made and was to be approved by Cabinet. Progress would then be set and monitored against this revised date, which can therefore lead to difficulties in identifying original dates without reviewing past reports.
- If there was a reduction in the projects included on the Delivery Plan, then a detailed review of the report could take place, but that was not possible with the current number of projects included.
- Currently all milestones are retained within the report, but as milestones are met and completed, these could be removed once they had been through a cycle of Committees to assist with conciseness of the report.
- Only the milestones from the current year, and previous years, were included, it did not cover all future milestones on projects.
- There was an issue with the system which meant if more in year milestones were added, then this would see a decrease in the percentage update provided.
- He was seeking feedback from Members on the display of the completion percentage and whether completed milestones should be removed.

The Chair noted that this was a document to be owned by Members and it needed to be agile and provide relevant data to ensure projects were on track and effective monitoring of these. She was supportive of removing completed actions, so long as these were recorded within the Pentana system.

Councillor Steve Jarvis advised that for projects with many completed milestone the deletion was fine, however noted that for some projects the milestones were useful indicators of progress made. The current system of counting milestones to produce a percentage was not always an accurate reflection of the project.

Councillor Sean Prendergast noted that some of the information provided was not particularly helpful to understanding the progress of a project and that this could be removed to make the report more concise.

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

RESOLVED:

- (1) That Cabinet noted the progress against Council projects as set out in the Council Delivery Plan (Appendix A) including changes to milestones, performance indicators and risks.
- (2) That Cabinet commented on the presentation of the report for future meetings, especially in relation to milestones and project status.

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

219 NEW FINANCIAL SYSTEM

Audio Recording – 1:33:50

Councillor Ian Albert presented the report entitled 'Financial System Budget' and advised:

- The allocation of £200k of capital was to enable the purchase of the new finance system which followed a tender exercise which identified the best value option.
- This new system would allow the delivery of efficiency improvements across the Council and to the way accounts are produced.

The following Members asked questions:

- Councillor Alistair Willoughby
- Councillor Ruth Brown
- Councillor Steve Jarvis

In response to the questions, the Service Director – Resources advised that:

- Over time this system would bring enough savings which would recover not only the revenue costs, but also the annual revenue impact of the capital costs, but that this would take time.
- The system would not have any impact on services at East Herts Council, or on joint services between this Council and East Herts because they have their own finance system.
- The software package was standard, but that it would have to be customised to enable it to work in a more efficient way to enable improvements across the Council.

Tuesday, 19th September, 2023

The Chair stressed the importance in this current climate for local government to look actively for areas where they can work together across all services to reduce costs and make savings.

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

RESOLVED: That Cabinet noted the expected benefits from the new finance software system.

RECOMMENDED TO COUNCIL: That Council approve a capital budget allocation in 2023/24 of £200k for the initial work to develop and implement the new finance software system.

REASON FOR DECISIONS: A new finance system is expected to lead to more efficient processes and a better customer experience. A new finance system will incur up-front installation and development costs. These costs can be charged to capital but require a capital budget. Additions to the capital programme above £50k require approval by Full Council.

The meeting closed at 9.13 pm

Chair

PART 1 – PUBLIC DOCUMENT

ALLOCATION OF (ADDITIONAL) HOMELESSNESS PREVENTION GRANT

REPORT OF SERVICE DIRECTOR – HOUSING AND ENVIRONMENTAL HEALTH

EXECUTIVE MEMBER: COUNCILLOR SEAN PRENDERGAST

COUNCIL PRIORITY: PEOPLE FIRST

1. EXECUTIVE SUMMARY

- 1.1 As a local housing authority, the Council has various legal duties to assist households who are homeless or threatened with homelessness, including accommodation duties towards those who are in priority need and unintentionally homeless.
- 1.2 The Council receives Homelessness Prevention Grant (HPG) funding from the Department for Levelling Up, Housing and Communities (DLUHC) to support delivery of these services. HPG is ring-fenced for the delivery of services to prevent and tackle homelessness.
- 1.3 The Council has received an additional in-year allocation of £199.9k of DLUHC's Homelessness Prevention Grant (HPG) funding for 2023/24, to support Ukrainian households and wider homelessness pressures. This report outlines two proposals for the allocation of this funding.

2. RECOMMENDATIONS

- 2.1. That the Cabinet approves the allocation £186.2k of HPG in order to fund the salary budget shortfall in the housing team to March 2027;
- 2.2 That the Cabinet authorises the remaining amount (of £13.7k) to be used to offset the cost of hotel placements, which are anticipated to grow further over the winter months.

3. REASONS FOR RECOMMENDATIONS

- 3.1. The recommendations in this report support the Council's response to the increasing volume and complexity of housing approaches, whilst also meeting the requirements of DLUHC's ringfenced use of the funding.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 None.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 The Executive Member for Housing and Environmental Health, Cllr Sean Prendergast and the Deputy Executive Member for Housing and Environmental Health, Cllr Dave Winstanley, have both been consulted and are supportive of the proposals contained in this report.

6. FORWARD PLAN

- 6.1 This item was added to the Forward Plan on 13th October 2023.

7. BACKGROUND

- 7.1. As a local housing authority, the Council has various legal duties to assist households who are homeless or threatened with homelessness, including accommodation duties towards those who are in priority need and unintentionally homeless. The Council receives HPG funding from DLUHC to support delivery of these services. HPG is ring-fenced for the delivery of services to prevent and tackle homelessness.
- 7.2. The Council received £746k of HPG for the two year period 2023/24 – 2024/25 and Cabinet agreed at its meeting of [27 June 2023](#) the allocation of this funding amongst local specialist homelessness services.
- 7.3. In addition, the Council has received a further in-year allocation of £199.9k of HPG funding for 2023/24. As an addition to the existing HPG, this grant is ringfenced for homelessness work to assist those most in need but with a specific focus on support for Ukrainian households who are at risk of/experiencing homelessness.

8. RELEVANT CONSIDERATIONS

- 8.1 To date, the impact of demand from Ukrainian households on the Council's housing services has not been significant with fewer than 30 approaches for assistance and prevention or relief duties owed to only eight households since the Homes for Ukraine scheme opened in March 2022. The Council is currently accommodating three Ukrainian households in temporary accommodation until an offer of suitable settled accommodation can be made to them. Support for Ukrainian households, which is resourced and coordinated by Hertfordshire County Council has been successful in assisting the majority to remain in existing accommodation or to find alternative accommodation in the private sector or with new hosts and we do not anticipate any significant increase in homelessness approaches from this cohort at the current time.
- 8.2 In addition, the Council has secured funding through the first round of the Local Authority Housing Fund (LAHF) in partnership with settle, for three additional social housing properties in the district, which will be available shortly for occupation (Cabinet's decision of [31 January 2023](#) refers). As a condition of LAHF funding, these properties are to be used to accommodate families with housing needs who have arrived in the UK via Ukrainian and Afghan resettlement schemes and we anticipate that at least two will be used to accommodate local Ukrainian families and a third by an Afghan household. There are also a further eight properties due to be delivered under round 2 of the LAHF, in partnership with settle and Home Group, by March 2024.
- 8.3 In terms of wider homelessness pressures, 1942 requests for housing assistance were received by the Council over the financial year 2022/23 with a further 1157 between April 2023 and Sept 2023. In addition, designated temporary accommodation units in the district are usually fully occupied and there is extensive use of hotels as an emergency back-up measure. Due to current challenges in the housing market, especially the accessibility of the private rented sector as well as the cost-of-living challenges, demand levels for housing assistance are not expected to reduce in the foreseeable future.
- 8.4 In early 2020, two post holders in the housing team initially employed on fixed term contracts of five years, fully funded by DLUHC's HPG, were offered permanent contracts in order to provide stability for the housing team. This was due to challenges with the recruitment of housing staff, the growing demands from the public

for housing services and considering employment rights being accrued after two years being the same as that of permanent staff.

- 8.5 Although the individual post holders are employed on permanent contracts, as the initial five-year funding allocation ends in 2024/25, it is proposed that £186.2k of this in-year HPG award is allocated to further fund the budget gap for these two posts until March 2027. This brings this in line with two other permanent contractual changes that were agreed in the housing team (one part-time post increased to full-time and another part-time post with a small increase in weekly hours) that are also due to end March 2027; assuming a pay award of 2% from 2024/25 onwards, the salary shortfall would be around £111k pa from April 2027.
- 8.6 Should the salary proposal be agreed, all future funding options would be considered to cover the salary budget shortfall from April 2027 onwards, including a potential investment proposal (in 2026/27) as part of the Council's Corporate Business Planning process and/or an allocation of future ring-fenced DLUHC HPG should it be forthcoming.
- 8.7 It is also proposed that the remaining amount of £13.7k is allocated to the Council's budget for hotel costs which are likely to increase over the winter months.

9. LEGAL IMPLICATIONS

- 9.1. The Housing Act 1985 Section 1 (1) confirms that the District Council is the Local Housing Authority (LHA).
- 9.2 LHAs' homelessness duties are contained within the Housing Act 1996 Part VII, as amended by the Homelessness Reduction Act 2017 which placed significant new duties on English local housing authorities.
- 9.3 LHAs have a legal duty to provide interim (also known as emergency) accommodation to homeless applicants, if, at any point during their enquiries, there is a reason to believe that an applicant may be:
- homeless
 - eligible for assistance, and
 - in priority need

If an LHA fails to provide interim accommodation, or if the accommodation provided is unsuitable for the applicant, this can be challenged by way of judicial review.

- 9.4 The LHA also holds the 'Relief Duty' which applies when a council is satisfied that an applicant is homeless and eligible for assistance; it requires the Council to take reasonable steps to help the applicant secure that suitable accommodation becomes available for the applicant's occupation for at least six months. This therefore requires the Council to work with the applicant to help them find and retain accommodation to meet this legal duty.
- 9.5 The Cabinet's Terms of Reference provides at paragraph 5.7.15; *"To oversee the provision of all the Council's services other than those functions reserved to the Council"*.

10. FINANCIAL IMPLICATIONS

- 10.1 The Council was informed in June 2023 that it had received a top-up HPG allocation of £199,918 for 2023/24, ring-fenced for homelessness services to target those most in need, specifically Ukrainian households and wider homelessness pressures.

11. RISK IMPLICATIONS

- 11.1 This report concerns one year top up funding, in addition to a two-year allocation of HPG for 2023/24 – 2024/25. There is therefore inherent uncertainty as to what (if any) HPG funding will be available from 2025/26 onwards and thus longer-term stability of homelessness services remains uncertain.

12. EQUALITIES IMPLICATIONS

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2. An Equality Impact Assessment accompanied the proposals approved by Cabinet on 27 June 2023 which noted the potential positive impacts the approved allocations of funding would have for some of the most vulnerable residents of North Herts. The proposals contained in this report will support the provision of these services.

13. SOCIAL VALUE IMPLICATIONS

- 13.1. The Social Value Act and “go local” requirements do not apply to this report. However, the proposals contribute to social value by providing community benefits that would otherwise not be realised.

14. ENVIRONMENTAL IMPLICATIONS

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

15. HUMAN RESOURCE IMPLICATIONS

- 15.1 All four members of the housing team occupying roles that have been financially supported by HPG over recent years are employed on permanent contracts.

16. APPENDICES

- 16.1 None.

17. CONTACT OFFICERS

- 17.1 Jo Doggett, Service Director – Housing and Environmental Health jo.doggett@north-herts.gov.uk ext 4470
- 17.2 Martin Lawrence, Strategic Housing Manager martin.lawrence@north-herts.gov.uk; ext 4250
- 17.3 Isabelle Alajooz, Legal Commercial Team Manager and Deputy MO isabelle.alajooz@north-herts.gov.uk; ext 4346
- 17.4 Reuben Ayavoo, Policy and Community Engagement Manager reuben.ayavoo@north-herts.gov.uk; ext 4212
- 17.5 Jo Keshishian, HR Operations Manager, jo.keshishian@north-herts.gov.uk; ext 4314

18. BACKGROUND PAPERS

- 18.1 DLUHC Homelessness Prevention Grant top-up [Homelessness Prevention Grant: Homes for Ukraine scheme support - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/homelessness-prevention-grant-top-up)

CABINET

14 November 2023

PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: STRATEGIC PLANNING MATTERS

REPORT OF: IAN FULLSTONE, SERVICE DIRECTOR - REGULATORY

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

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

1. EXECUTIVE SUMMARY

1.1 This report identifies the latest position on key planning and transport issues affecting the District.

2. RECOMMENDATIONS

2.1. That the report on strategic planning matters be noted.

2.2. That the Planning Reforms responses from North Herts and HIPP, attached as Appendices A and B be endorsed.

3. REASONS FOR RECOMMENDATIONS

3.1. To keep Cabinet informed of recent developments on strategic planning matters.

4. ALTERNATIVE OPTIONS CONSIDERED

4.1. None

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

5.1. The Executive Member and Deputy have been briefed on the relevant matters in this report. The Strategic Planning Project Board meet approximately monthly to guide and monitor progress on major development sites and key planning issues in the District. More information is contained in the report.

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. Members will be aware of, and familiar with, many of the issues surrounding the strategic planning matters referred to in paragraph 1.1 above. This report is intended to provide Members with the current positions on these matters. As with previous reports, only those matters where there has been substantive new information or change are reported upon.

8. RELEVANT CONSIDERATIONS

STRATEGIC PLANNING

North Herts Local Plan

- 8.1. The new Local Plan was adopted by Full Council on 8 November 2022. Policy IMR2: Local Plan Early Review commits the Council to undertake work on a whole plan review of the 2011 – 2031 Local Plan by the end of 2023.
- 8.2. The purpose of Policy IMR2 being to determine whether the adopted Plan needs to be updated, either in whole or in part. Policy IMR2 does not require the Local Plan to be updated and be ready to publicly consult upon in its entirety by the end of 2023. But simply that an assessment (review) of the Local Plan policies needs to be undertaken to determine whether the Council then proceeds to a Plan review either in whole or in part.
- 8.3. The supporting text to Policy IMR2 states that:
- We currently consider it most likely that this review will result in a need to comprehensively update the local plan, recognising that this cannot be prejudged at this time. Our present intention is that any comprehensive review of this Plan will be completed by the mid-2020s at the latest. It will roll the Plan forward to a new time horizon of at least 2041 and deliver any specific additional or updated policies and sites that are identified as being needed.*
- 8.4. At the Full Council meeting to adopt the Plan, Councillors were advised by officers (without prejudice to the review) that it was considered “incredibly unlikely” this process would lead to allocated sites being removed from the Plan. As above, any future iteration of the Local Plan would likely look forward for at least a further ten years beyond the current end date of 2031.
- 8.5. This work has almost been completed and will be presented to Cabinet in January 2024.
- 8.6. The Local Plan Review was published on the Councils Forward Plan on 13 October 2023 with a decision date of 16 January 2024 by Cabinet. The timetable for the production of Cabinet reports requires the publication of the officer recommendations on this matter by 20 December 2023, in line with the ‘end of 2023’ commitment in the Local Plan.
- 8.7. Any review will take place in the context of the Government’s recent enactment of the Levelling Up and Regeneration Act (see below).

Supplementary Planning Documents

- 8.8. Following adoption of the Local Plan, focus has turned to its implementation. This includes preparing an appropriate set of supporting Supplementary Planning Documents (SPDs) that were approved by Cabinet in March 2021.
- 8.9. The following targets for presenting versions of these documents to Cabinet have been agreed in consultation with the Executive Member and Deputy:

<i>Document</i>	<i>Consultation</i>	<i>Adoption</i>
Sustainability SPD	December 2023	March 2024
Biodiversity SPD	<i>Spring 2024</i>	<i>Summer 2024</i>
Design Code SPD	<i>Summer 2024</i>	<i>Autumn 2024</i>

- 8.10. The Sustainability SPD was discussed at Cabinet Panel on the Environment on 22 February 2023 and the direction of travel for the document was considered and feedback from the Panel was incorporated into the document presentation to Cabinet on 14 March 2023. The draft SPD will be presented at the next meeting of Cabinet following consideration by Overview & Scrutiny Committee.
- 8.11. The timetable for the Biodiversity and Design Code SPDs have been amended in response to Government announcements and staffing capacity (see below).

Neighbourhood Plans

Ickleford Neighbourhood Plan

- 8.12. The Ickleford Neighbourhood Plan is due to be examined and we are in the process of appointing an examiner to undertake the examination. It is anticipated that this will be by written representations and will commence imminently. If the examination is successful a further report will be brought to Cabinet with a recommendation to proceed to a referendum; with a view to holding the referendum prior to Local Elections in May 2024 and before the Pre-Election Restricted Period (PERP).

Wallington Neighbourhood Plan

- 8.13. Wallington Neighbourhood Plan was consulted upon for a period of six weeks from 18th July to 30 August 2023. and summary of responses can be found [here](#). The Neighbourhood Plan is due to be examined and we are in the process of appointing an Examiner in autumn; with a view to holding the referendum prior to Local Elections in May 2024 and before PERP.

Conservation Areas

Ashwell and Pirton Conservation Areas

- 8.14. The updated Conservation Area Appraisal Management Plans for both Ashwell and Pirton were adopted by Council on 27 June 2023. The relevant undertakings have been made to notify the Secretary of State, Historic England and Land Charges and a notification was placed in the London Gazette in accordance with the regulations. In addition, our mapping has been updated for the purposes of Development Management.

Chesfield Conservation Area

- 8.15. Consultation took place on the draft CAAMP and the proposed conservation area at Chesfield for 9 weeks between 16 November 2022 and 16 January 2023. We received a number of responses to the consultation, mainly from local residents. All of the representations are available to view of the [website](#).
- 8.16. The final version of the CAAMP and proposed Conservation Area was taken to Cabinet on 19 September 2023. A decision on designating the conservation area was deferred to clarify the proposed conservation area and to conduct further consultation with residents to ensure the People First priority of the Council was being met. Once that work has been completed a further report will be brought back to Cabinet.

Self-Build Register

- 8.17. The Self-Build Register has been updated once again in line with Regulations. The demand for self and custom housebuilding is measured over a 12-month base period which ends on 31 October each year. This sees the end of the 8th Base Period for the Self Build Register. We currently have 422 individuals on the Self Build Register.

Brownfield Register

- 8.18. The Brownfield Register is due to be revised by the end of December 2023. This register provides up-to-date and consistent publicly available information on sites we consider to be appropriate for residential development. We are required to review the register at least once a year.

Infrastructure Delivery Plan

- 8.19. We are in the process of updating the Infrastructure Delivery Plan to reflect the up-to-date position of requirements from stakeholders.

Monitoring and five-year supply

- 8.20. Under the current National Planning Policy Framework (NPPF), the Council had a 'grace period' following adoption of its Local Plan during which Government measures relating to housing delivery and supply did not apply. This expired on 31 October 2023. A revised NPPF is anticipated shortly (see below) which, among other matters, is anticipated to

reintroduce and extend the 'grace period' to potentially cover up to five years from Local Plan adoption. In the meantime, relevant planning decisions and recommendations will have regard to national policies on land supply alongside the Local Plan.

Article 4 Directions

- 8.21. The Council confirmed the immediate Article 4 Directions relating to Permitted Development Rights (PDR) allowing the change of use of E Class to C3 (residential) in the District's Town Centres on 13 February 2023.
- 8.22. Following the confirmation, we were contacted by DLUHC requesting additional evidence regarding our decision for the geographical extent and intent of the Directions. This evidence has since been submitted to DLUHC. We have asked the Secretary of State to make some modifications to the Directions, namely, to remove all units currently in C3 (residential use) from the Directions.
- 8.23. A response was received from DLUHC in August 2023 asking for further evidence to justify the inclusion of secondary retail frontages within our Town Centres. Further evidence has been submitted to DLUHC which stresses the importance of our secondary retail frontages and the need to protect it across all Town Centres, but particularly in Baldock where there is no Primary retail frontage and the risk posed by PDR to the viability and vitality of Baldock's core; especially considering the amount of residential development that will be taking place in Baldock c.3,000 additional homes and the needs of these new residents for Town Centre uses in the local area. We await a decision from DLUHC.

Other Local Plans and Examinations

- 8.24. North Hertfordshire has eight neighbouring local authorities in Bedfordshire, Cambridgeshire, Essex, and Hertfordshire. Officers monitor progress on the local plans for these and other relevant areas and, in consultation with the Executive Member and Deputy, make representations at key stages.

Neighbouring Authority	Local Plan Progress
Central Beds	Local Plan Review in progress
East Herts	Local Plan Review was taken to Executive in early October and East Herts have resolved to undertake a full review of their Local Plan
Luton	In the very early stages of Local Plan Review
South Cambs	Greater Cambridgeshire (Cambridge City Council and South Cambridgeshire District Council) Local Plan in progress
St Albans	Local Plan Reg 18 Consultation July to September 2023

Stevenage	Local Plan Review being considered but nothing formally actioned
Uttlesford	Delivery of a new Local Plan proposed for summer 2024
Welwyn Hatfield	<p>The Inspectors report was received on 25 September 2023 and adopted at a meeting of their Council on 12 October 2023. The Plan includes some modifications:</p> <ul style="list-style-type: none"> • Amendment to the plan period to one that covers the period 2016-36 • Amendments to Policy SP2 to confirm that the Council is committed to undertaking an immediate review of the plan, with a submission date no later than three years after the date that this plan is adopted • Changes to elements of the Centre Services and Facilities chapter to account for the ramifications of the Covid 19 pandemic, the further movement of some retail expenditure from shops to on-line facilities and changes to the Use Classes Order • Updates to the Economy chapter to account for changes in the employment forecasts, employment land supply and to the Use Classes Order • Amendments to the Housing policies to comply with national policy and for effectiveness • Improved requirements and advice concerning development considerations that reflect national policy, in relation to heritage matters, tall buildings, and the quality of new development • Improvements to the policies that affect the delivery of infrastructure, especially that concerned with the delivery of sewage improvements • Clarification that there is a requirement for neighbourhood plans to conform to the strategic policies of Local Plans • A number of other modifications to ensure that the plan is positively prepared, justified, effective and consistent with national policy

8.25. A number of authorities' plans are in early review stages so there is only limited formal activity at present.

Hertfordshire Growth Board (HGB) and North-East-Central (NEC) Hertfordshire

- 8.26. The 'NEC' area covers the geographical areas of North Hertfordshire, Stevenage, East Hertfordshire, Welwyn Hatfield, and Broxbourne. The Local Planning Authorities, along with the County Council, are working together to explore potential long-term planning solutions.
- 8.27. Prior + Partners have been appointed to develop a Vision for the NEC area and we are working with them to engage with relevant stakeholders as to the direction of the Vision. Engagement includes work with Members and officers as well as identifying relevant community groups.
- 8.28. Engagement workshops have taken place in September and October with a final workshop scheduled for December. The workshops have been positively received by participants and consultants alike.
- 8.29. We expect the outcomes of the workshops and a draft Vision in early 2024.

Active Travel England

- 8.30. As of 1 June 2023, Active Travel England (ATE) became a statutory consultee on planning applications on all planning applications for developments equal to or exceeding 150 housing units, 7,500 m² of floorspace or an area of 5 hectares.
- 8.31. ATE is tasked to assist DfT in "delivering increases in active travel to 50% of all journeys in urban areas":

ATE will support [DfT's] objectives by driving up standards and the capacity and motivation of local authorities and other organisations providing transport works to deliver active travel infrastructure and provide best practice design standards. It will manage funding for dedicated walking and cycling initiatives and challenge failure by withholding funding for failure to meet standards. It will assess the compliance of schemes in the City Region Sustainable Transport Fund, Roads Investment Strategy 2, the Levelling Up Fund and other significant departmental investments that deliver active travel and prevent funding for schemes that do not meet DfT design guidance. It will offer training and be a repository of best practice guidance for local authorities and developers working to ensure active travel design is embedded in new developments.

- 8.32. ATE has so far responded to one planning application, for KB4 (Land South Of Watton Road Knebworth Hertfordshire, 23/01552/OP) with a recommendation to defer pending "further assessment, evidence, revisions and/or dialogue as set out in [their] response".
- 8.33. NHDC has sought early engagement with ATE on the Baldock strategic development sites as the challenges with delivering attractive, standards-compliant active travel links between BA1 (north of the railway line) and the town centre are significant.

Government announcements

Planning Reforms

- 8.34. A consultation took place on Planning Reforms and the process of developing Local Plans. We responded to this consultation and our response is attached in Appendix A Whilst

supporting the need for reforms, these need to be appropriate and realistic to the planning process.

- 8.35. The proposed reforms include, but not limited to:
- Making the role and content of plans clearer
 - Speeding up the process for preparing a plan (30 months)
 - Ensuring local communities are engaged
 - Dealing with complexity
 - Making the most of digital technology
- 8.36. The Hertfordshire Infrastructure and Planning Panel (HIPP), membership includes all Executive Members for Planning, submitted a response to the consultation, Appendix B on behalf of the County Council and a number of District authorities including ourselves.
- 8.37. The main concerns in both responses was the resources available to Local Authorities to implement such radical change, including staffing levels and budgets, particularly for digital planning.

Levelling Up and Regeneration Bill

- 8.38. The [Levelling Up and Regeneration Act 2023](#) received Royal Assent on 26 October. Once the secondary legislation is passed to bring the provisions of the new act into force, it will:
- impose a compulsory Infrastructure Levy to replace funding currently obtained through Section 106 agreements;
 - introduce revised requirements for Local Plan production;
 - mandate the production of area-wide Design Codes;
 - require North Herts to maintain an Infrastructure Delivery Strategy on which it will spend Infrastructure Levy receipts;
 - enable Hertfordshire and a neighbouring county or unitary authority to apply to become a Combined County Authority, potentially with an elected mayor;
 - streamline some aspects of compulsory purchase and discount “hope value” under certain circumstances;
 - enable [Community Land Auctions](#);
 - pave the way for the creation of urban development corporations; and much else.
- 8.39. The Government has previously outlined its intention to produce a revised version of the NPPF “as soon as the Bill received Royal Assent”.

Biodiversity Net Gain

- 8.40. The Government has delayed the introduction of mandatory Biodiversity Net Gain from November 2023 until January 2024. Detailed guidance was due to be published but, at the time of writing, has not been released. This guidance is required before a decision can be taken on the scope of any Biodiversity SPD which this Council might produce.

The Plan for Drivers

- 8.41. A policy paper [Plan for Drivers](#) was published in on 2 October, the practical implications of which are unclear, especially in relation to future updates to national guidance around 20mph zones, Low Traffic Neighbourhoods and “15-minute cities”. It is expected that the King’s Speech on 7 November will include some elements from this plan.

Local Transport Plans

- 8.42. Updated guidance on Local Transport Plans (LTPs), including methodology around Quantifiable Carbon Reductions, now long overdue (transport authorities were expected to submit new LTPs to DfT by spring 2024, which is now unrealistic).

Network North Plan

- 8.43. The Network North plan purportedly reallocates funding from the cancelled phases of HS2 to other transport schemes. The indicative list of schemes does not include any in Hertfordshire. However, there are general commitments to increase funding to repair potholes (£2.8bn in East, South East and South West England), to extend the £2 cap on bus fares until the end of 2024, and to fund accessibility improvements to 100 stations across the country (Govia Thameslink Railway submitted Access for All funding applications last year for Baldock and Knebworth stations, supported by HCC and NHDC).

Implementation - Strategic Sites & Masterplanning

- 8.44. The Strategic Planning Project Board continues to meet regularly. The current status of work on the six, largest Strategic Sites in the Local Plan is summarised below:

Policy SP14: North of Baldock	Pre-application masterplan being prepared under a Planning Performance Agreement (PPA) ¹ with initial public consultation carried out by Urban & Civic in March 2023 Further consultation scheduled for late November and early December
SP15: North of Letchworth	Pre-application masterplan being prepared under PPA. Baseline evidence stage largely complete and moving towards option development for consultation in early 2024
SP16: North of Stevenage	Pre-application masterplan being prepared under PPA. The proposed draft masterplan was presented to the Project Board in May 2023 with public consultation June / July
SP17: Highover Farm, Hitchin	This application has now received a resolution to permit by the Planning Committee subject to S106

¹ This work also includes the sites allocated in the Local Plan around Baldock to the south of the railway line known as BA2, BA3 and BA10.

SP18: North-east of Great Ashby	Pre-application masterplan being prepared under PPA. Currently at baseline evidence stage
SP19: East of Luton	Allocation-wide masterplan being prepared under PPA

- 8.45. Other masterplans for significant sites are being progressed through a variety of PPAs, pre-application discussions and current planning applications lodged with the Council ([Masterplans in current applications | North Herts Council \(north-herts.gov.uk\)](#)).

INFRASTRUCTURE AND PROJECTS

Luton Airport S73 19mppa Application

- 8.46. On 13 October 2023, the Secretaries of State at DLUHC and DfT have jointly approved the Section 77 planning application to expand the operating capacity of London Luton Airport from 18 to 19 million passengers per annum:

“We recommend that full planning permission be granted for dualling of the airport way/approach road and associated junction improvements, extensions and alterations to the terminal buildings, erection of new departures/arrivals pier and walkway, erection of a pedestrian link building from the short-term car park to the terminal, extensions and alterations to the mid-term and long-term car parks, construction of a new parallel taxiway, extensions to the existing taxiway parallel to the runway, extensions to existing aircraft parking aprons, improvements to ancillary infrastructure including access and drainage, and demolition of existing structures and enabling works; and outline planning permission granted for the construction of a multi-storey car park and pedestrian link building, at London Luton Airport, Airport Way, Luton, LU2 9LY, in accordance with the terms of the application Ref 21/00031/VARCON, dated 8 January 2021, subject to the conditions in Annex 1 to this report.”

- 8.47. The full report may be found at acp.planninginspectorate.gov.uk, entering the case number 3296455.

Proposed expansion for London Luton Airport

- 8.48. London Luton Airport Ltd, rebranded as Luton Rising (LR), submitted their application for a Development Consent Order (DCO) involving the expansion of Luton Airport from 18mppa to 32mppa (including a new terminal and associated infrastructure) on 27 February 2023. The application was accepted by the Planning Inspectorate (PINS) on 27 March 2023 (the project is defined as a Nationally Significant Infrastructure Project given the proposed passenger numbers). Details can be seen on the PINS website at <https://infrastructure.planninginspectorate.gov.uk/projects/eastern/london-luton-airport-expansion/>
- 8.49. The Examination process opened on 10th August 2023 and is expected to close on 10th February 2024.

- 8.50. As previously advised, the three Hertfordshire Hosts Authorities, i.e., North Herts Council (NHC), Hertfordshire County Council (HCC) and Dacorum Borough Council (DBC) have commissioned specialist technical consultants and a legal team to assist with the preparation and submission of relevant documentation as required by the Examining Authority. These being solicitors from Pinsent & Masons and technical officers from WSP.
- 8.51. The procedure for the Examination process, including submission deadlines and the Issue Specific Hearing Sessions are set out in the Planning Inspectorate's Rule 8 letter (dated 17th August 2023) at Annex A, and other subsequent letters. The Rule 8 letter can be viewed at:
[TR020001-001276-LUTN-Rule-8-and-hearings-notification-letter.pdf \(planninginspectorate.gov.uk\)](#)
- 8.52. To date the Council, together with the Hertfordshire Host Authorities has submitted the following documentation in accordance with the following Deadlines:
- Deadline 1 – 22nd and 25th August 2023* – included the preparation and submission of:
- Written Representation setting out the Council's views on the proposals
 - Local Impact Report – setting out what the Council considers to be the main impacts within its boundary
- Deadline 2 – 12 September 2023* – included:
- The preparation and submission of a revised PADSS (Principal Areas of Disagreement Statement)
 - Informing the Examining Authority (ExA) that the Hertfordshire Host Authorities wished to be represented at the Issue Specific Hearings (ISH) which ran from 26 Sept to 29 Sept. The ISH sessions were blended, i.e. where interested parties could attend either in person or virtually.
- Deadline 3 – 5th October 2023* - An immediate requirement following the ISHs included:
- Submitting written post hearing submissions of oral cases
 - Submitting an update to the Principal Areas of Disagreement Statements (PADSS) for the Hertfordshire Host authorities
 - Responding to the Applicant's responses to the Hertfordshire Hosts Written Representation and Local Impact Report submitted at Deadline 2.
- 8.53. The ExA issued a Rule 17 Letter on 3rd October 2023, where the ExA has written to the Applicant and the Host Authorities following a number of oral requests at the ISHs and subsequent written requests regarding changes to a number of deadlines for action points arising out ISHs. In the interests of transparency, the ExA considered that, as these issues are effectively a request for further information, the most appropriate way to respond would be under Rule 17 of the Infrastructure Planning (Examination Procedure) Rules 2010. Consequently, the ExA has set out its agreement and proposed timeline for responses on these matters in Annex A to this letter. This letter can be viewed at:
[TR020001-001835-LUTN-R17-3-October-2023.pdf \(planninginspectorate.gov.uk\)](#)
- 8.54. One of the key amendments refers to the Statements of Common Ground (SoCGs) where it was considered submitting them at Deadline 3 would be of little assistance to the ExA,

as there were negligible changes to those submitted at Deadline (D)2a and requested instead that updated SoCG be submitted at Deadline 6 i.e. 8th December 2023.

- 8.55. The next Deadline (*Deadline 4*) is 1st November 2023 where the Council is required to:
- Respond to a series of Written Questions prepared by the Examining Authority. These have been published on the PINs website at [TR020001-001991-LUTN-ExQ1-FINAL.pdf \(planninginspectorate.gov.uk\)](https://planninginspectorate.gov.uk/TR020001-001991-LUTN-ExQ1-FINAL.pdf)
 - Comment on the Applicant's revised draft DCO (if submitted)
 - Submit any further information requested by the ExA under Rule 17 of the Infrastructure Planning (Examination Procedure) Rules 2010, including submitting a written response to additional questions raised by ExA to the ISHs
 - Submit comments (if consider necessary) on any further information/ submissions received by Deadline 3.
- 8.56. The key areas of concern that have been raised through the process and continue to be point of discussion with the applicant through the SoCG are in relation to a number of factors including (but not limited to) air quality, noise and vibration, traffic and transport, employment and skills, climate change, biodiversity, landscape and visual matters, health and community, and requests for more technical information including the need for more substantive additional engagement and monitoring of the technical requirements of the application.
- 8.57. The ExA issued a Rule 13 letter on 30th October 2023 informing interested parties of the additional ISHs to be heard from 28th November to 1st December and would find it helpful for the Hertfordshire Host Authorities to attend the Hearing sessions. The Rule 13 Letter setting out the timescales and topics for discussion at each ISH session can be viewed on the PINs website at:
<https://infrastructure.planninginspectorate.gov.uk/document/TR020001-002031>
- 8.58. The Council will continue to work together with its specialist consultants and the other Hertfordshire Host Authorities in seeking to respond and provide information as requested by the ExA and participating at the upcoming ISH sessions. The Council will continue to meet with the Applicant in seeking to resolve the various issues raised in the PADSS and through the SoCG.
- 8.59. All written submission documents can be viewed on the PINS website at 30
- 8.60. Officers will continue to keep members updated via this Strategic Planning Matters Report and through MIS notes. To date four MIS notes have been issued.

LCWIP (Local Cycling and Walking Infrastructure Plan)

- 8.61. The North Herts LCWIP was adopted by HCC on 18 September 2023.

Sustainable Travel Towns (STT)

- 8.62. As previously reported, the Officer Working Groups (OWGs) for the Letchworth and Royston STTs are meeting monthly to identify and progress key projects for inclusion in the implementation plans for each town. The Joint Member Steering Groups for each town are

also now meeting regularly to monitor progress and agree key stages in the development of the plans. Although a small amount of funding has been identified for delivery of these plans, substantially more funding will be required, and has yet to be identified, for infrastructure elements in the plan.

HCC Place & Movement Planning and Design Guide

- 8.63. HCC is reviewing responses to the consultation on the Place & Movement Planning and Design Guide, which will supersede the 2011 *Roads in Hertfordshire – Highway Design Guide*. NHDC officers submitted a detailed response to the consultation. The final guide is expected to come to the HCC Highways and Transport Cabinet Panel in February 2024.

HCC Active Travel Strategy

- 8.64. HCC is preparing the consultation report and amended Active Travel Strategy with the aim of bringing them to the HCC Highways & Transport Cabinet Panel in February 2024. This will supersede the 2013 strategy. NHDC officers submitted a detailed response to the consultation.

Active Travel Fund Tranche 4

- 8.65. HCC was awarded a further £4.6m by Active Travel England to deliver new walking and cycling schemes. In North Herts, some of this funding has been allocated to a recently completed scheme: a new crossing facility on Norton Road in Letchworth, close to the junction with Croft Lane. This was called for by local members and residents to improve safety for children walking to and from Norton St Nicholas primary school.
- 8.66. Although no further capital funding has been allocated to North Herts, some of the Capability Funding is being used to fund further studies of schemes in the LCWIP, the next step before securing funding for delivery.

Bus Service Improvement Plan (BSIP)

- 8.67. The government awarded £29.7m to HCC over two years to deliver its BSIP. £13.2m is for capital schemes. £16.5m is revenue funding.
- 8.68. For North Hertfordshire residents, the main benefits are reduced fares from 29 September 2023:
- All multi-operator tickets (Intalink Explorer and BUSnet) reduced by 15%, making them comparable to single-operator day and season tickets
 - The SaverCard Plus for 20–25-year-olds has been extended and offers a 50% discount on most adult fares
 - The Senior SaverCard for 60–66-year-olds provides a 50% discount on most bus fares
 - The Adult SaverCard for 26–59-year-olds provides a 15% discount on Intalink Explorer, BUSnet and Colney 7 bus fares

- 8.69. There is a plan to create a BUSnet scheme in North Hertfordshire, which would provide reduced fares for daily travel on buses operated by different operators within a defined region.
- 8.70. Capital funding will be used to deliver bus priority schemes, including potentially in Hitchin; to roll out Real Time Passenger Information displays at more bus stops; and to install new electronic information points in Hitchin (St Mary's Square), Letchworth (Broadway) and Baldock (Market Place).
- 8.71. Some BSIP funding will be used to market bus services and initiatives to widen awareness and increase patronage.
- 8.72. The HertsLynx demand-responsive service now operates 8pm to 11:30pm on Fridays and Saturdays. (Daytime operating hours are 7am to 7pm Monday to Saturday, and 10am to 4pm on Sundays.).
- 8.73. The Department for Transport has extended until December 2024 the subsidy to cap single bus fares at £2. This cap applies to most scheduled services and HertsLynx. Note that Richmond Coaches, A2B,C G Myall and Vectare are *not* participating in this scheme. These companies operate all the services in Royston except the Centrebus 26 to Cambridge.

County-wide Electric Vehicle (EV) Charging Strategy

- 8.74. The HCC Electric Vehicle Charging Infrastructure Strategy was adopted on 18 September 2023.
- 8.75. The government has provisionally awarded HCC £6.6m from the Local Electric Vehicle Infrastructure (LEVI) fund to roll out more chargepoints, primarily for use by residents. This funding will be made available by April 2024.
- 8.76. Although the market is delivering rapid chargers at destination locations, there is still a market failure in delivering chargers that are convenient for residents who do not have off-street parking, and who need access to "fast" (up to 22kW) chargers to use overnight or for extended periods during the day.
- 8.77. NHDC is assisting HCC in writing a business case for funding to be allocated to North Hertfordshire. It is estimated that this funding will help delivery of around 50–100 new EV chargepoints in up to around 25 locations. Terraced housing in rural and outer urban locations will be a focus in selecting sites.

EV chargepoints in North Herts car parks

- 8.78. Following notification from the Office for Zero Emission Vehicles (OZEV) in September 2023 that NHDC had been successful in its bid for £135,000 to support the roll-out of 18 chargepoints (36 sockets) in council car parks, officers have been working to finalise the contract with Blink Charging to install, manage and maintain new and replacement chargepoints in:
- Letchworth (Hillshott CP and the Garden Square MSCP)
 - Hitchin (Bancroft Recreation CP, Woodside CP and the Lairage MSCP)
 - Baldock (Twitchell CP)

- Royston (The Warren CP and Town Hall/Civic Centre CP)

Greater Cambridge Sustainable Travel Zone

- 8.79. The plan to introduce a ‘Sustainable Travel Zone’ charge to drive in Cambridge has been halted following a withdrawal of political support in September, formalised at the Executive Board meeting on 29 September. The reworked plan put to members would have funded a more modest expansion in bus services in the Cambridge travel-to-work zone than originally planned but would still have incentivised many people to switch from driving to using public transport and active travel.
- 8.80. It is unlikely that a similar plan will come forward again before the general election in 2024.

A505 Royston–Granta Park Study

- 8.81. Cambridgeshire County Council has un-paused work on the A505 Royston-to-Granta Park Study. The consultants working on this, Stantec, presented the shortlisted packages of options to members in the study area on 23 October 2023.
- 8.82. Two notable changes in the context for this study are decisions by the Greater Cambridge Partnership to fund the bridge over that A505 at the A10 junction as part of the Melbourn Greenway scheme; and to defund the Cambridge South East Transport busway scheme, which would link the Cambridge Biomedical Campus with a Park & Ride at the A11 junction with the A1037 near Babraham. Alternative funding sources are being sought for the ~£150m construction cost.

9. LEGAL IMPLICATIONS

- 9.1. Under the Terms of Reference for Cabinet, the Constitution states that it may exercise the Council’s functions as Local Planning Authority and receive reports on strategic planning matters, applications for, approval/designation, consultation/referendums revocations (or recommend revocation) of neighbourhood plans and orders, (except to the extent that those functions are by law the responsibility of the Council or delegated to the Service Director: Regulatory).
- 9.2. The preparation of statutory plans and supporting documents is guided by a range of acts and associated regulations including the Planning and Compulsory Purchase Act 2004 (as amended) and the Localism Act 2011.
- 9.3. Under the Council’s Constitution (14.6.10 (b) vii B) all functions relating to National Infrastructure Planning including co-ordination of the Council’s response to any consultation, examination or other any other matter concerned with major infrastructure projects, is delegated to the Service Director Regulatory.

10. FINANCIAL IMPLICATIONS

- 10.1. The general costs of preparing supplementary planning documents, responding to consultations on neighbouring authorities’ Plans, neighbourhood plans and Government

consultations and the other activities identified in this report are met through existing revenue budgets or benefit from external funding or other arrangements to recover costs.

- 10.2. The report refers to Planning Performance Agreements for Masterplans. Although these represent a relatively new process and income stream, they do not necessarily represent additional monies to the Council at this stage. Prior to the introduction of masterplanning requirements, the negotiation of significant planning applications would have taken place under the Council's charged pre-application advice service and / or through the planning application. This will continue to be the case in some instances. Planning application fees are set nationally. The Council sets local income targets for pre-application advice and planning applications to inform budgeting and budget monitoring.
- 10.3. Income from PPAs will, in the short term at least, reflect a displacement of potential income from the above. Officers are monitoring anticipated and actual PPA income and the relationship between PPA, pre-application and planning application income. This is reflected as required in budget monitoring and / or reporting on targets during 2023/24. PPA income may be used to offset any shortfalls in the other income streams.

11. RISK IMPLICATIONS

- 11.1. The Council changed how it sets and monitors risks during 2022. This has seen a shift to strategic risks based on key projects such as the Local Plan and masterplanning. At the time, it was concluded that it was best to revisit these risks following adoption of the Local Plan and expiration of the challenge period for any Judicial Review.
- 11.2. The relevant risks associated with the Local Plan will now be reviewed and updated with the Performance & Risk team. This will reflect the new approach to setting and monitoring Corporate Risks.

12. EQUALITIES IMPLICATIONS

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

13. SOCIAL VALUE IMPLICATIONS

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

14. ENVIRONMENTAL IMPLICATIONS

- 14.1. A number of the schemes noted at section 8 will have considerable impact on the environment as they come to fruition. Many of these will be subject to their own statutory

requirements for environmental assessment such as Sustainability Appraisal or Environmental Impact Assessment. The need for further assessment, for example where there is no statutory requirement, is considered on a case-by-case basis.

15. HUMAN RESOURCE IMPLICATIONS

- 15.1. The number and structure of posts across the planning service has been reviewed on an ongoing basis in recent years with additional positions added to the establishment through annual budget cycles. However, recruitment and retention to professional posts remains extremely challenging. Some posts are presently filled by temporary or fixed-term staff and there remains an ongoing turnover of staff. The service is currently operating below its full establishment. This inevitably impacts upon the ability to address the diverse range of projects and requirements that fall within its scope.

16. APPENDICES (to be added at final reports)

- 16.1. Appendix A – [NHC response to Planning Reforms](#)
16.2. Appendix B – [HIPP response to Planning Reforms](#)

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18. BACKGROUND PAPERS

18.1 None

By email only:
**PlanningPolicyConsultation@levellingu
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Our Ref: Planning-making reform

Your Ref:

Contact: Deborah Coates

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18 October 2023

Levelling-up and Regeneration Bill: consultation on implementation of plan-making reforms - Published 25 July 2023

Please find below the response from North Herts Council in relation to your recent consultation on the reforms to national planning policy.

North Herts Council has recently adopted its Local Plan following an examination period in excess of 5 years (June 2017 – November 2022). This experience alone raises questions as to the ambitious timescales that are proposed in the plan-making reforms published in July of this year. Nevertheless, we are committed to plan-making, alongside community engagement and consultation.

Government has put forward a number of differing proposals for national planning policy reform since 2020. This has resulted in significant uncertainty for us and our neighbouring authorities. Contrary to the objective of facilitating local plan-making, the short-term effect of announcing these proposals has been to slow down/halt the progress of local plans in many areas across the country.

We support the prioritisation of a plan-led system and the protection from speculative development. However, as indicated above, the 30-month timeline for plan preparation is seen as unachievable for a number of reasons including, but not limited to:

- Local Authority resourcing including staffing levels and skills which will continue to be a barrier on progress and quality in plan-making
- Funding available to Local Authorities to support these proposed reforms
- Digital technology
- Expansion of areas of expertise including, for example, Design Codes etc

Another key area of concern is around the capacity of PINS to respond to the proposed procedural changes, and importantly how PINS will be held accountable for the delivery of a quality service that represents value for money.

The consultation fails to address some of the current main barriers to local plan progress including, but are not limited to:

- how housing needs will be addressed in areas of constraint, especially in areas with Green Belt designations
- where there are major challenges around nutrient or water neutrality
- where new/improved infrastructure is needed to unlock barriers to development opportunities

There are significant cross-boundary matters in the plan-making system that are linked to process; however, the consultation document contains no specific information regarding the future of Duty to Co-operate under the new system or the previously proposed 'alignment test'. This policy area will be key in setting a strategic planning approach, so it will be crucial that this should be addressed going forward.

We would urge you seriously consider the responses of Local Authorities across the country which we believe will follow a similar nature to ours, as was clearly seen from the webinars and workshop days that were held over the summer. Whilst there is the opportunity for reform in the plan-making process, these need to be the right reforms in the right areas over achievable timescales.

I hope that this response to the consultation is of use to shaping future proposals. Please do not hesitate to contact me should you require any further information.

Yours faithfully,



Ian Fullstone

Service Director, Regulatory



HERTFORDSHIRE INFRASTRUCTURE & PLANNING PARTNERSHIP

Dear Sir/Madam

Levelling-up and Regeneration Bill: consultation on implementation of plan making reforms - Hertfordshire Infrastructure & Planning Partnership Response

I write on behalf of the Hertfordshire Infrastructure & Planning Partnership (HIPP) in response to the consultation on implementation of plan-making reforms.

HIPP comprises the planning portfolio holders and heads of planning from the eleven councils in Hertfordshire as well as representation from the Hertfordshire Local Enterprise Partnership and others.

HIPP's overarching purpose is "to provide a forum to discuss and develop a shared view and to propose joint work programmes on planning and infrastructure issues of common concern, working co-operatively within Hertfordshire and across county borders."

The Councils in Hertfordshire committed to delivering good growth in order to support the economy, deliver much needed homes and help tackle climate change.

This letter represents the views of HIPP on the **consultation on implementation of plan-making reforms**.

The councils in Hertfordshire are all at different stages in the plan-making process with some progressing plans under the current system, and others looking to prepare new-style local plans. All councils are committed to plan-making, alongside community engagement and consultation.

As a general point HIPP is concerned that the government has put forward a number of differing proposals for national planning policy reform since 2020. This has resulted in significant uncertainty for local authorities and other stakeholders. Contrary to the objective of facilitating local plan-making, the short-term effect of announcing these proposals has been to slow down/halt the progress of local plans in many areas across the country.

In relation to the latest consultation on plan-making reforms, whilst HIPP is generally supportive of many of the proposed changes, including the prioritisation of a plan-led system, there are a number of areas of concern, not least the 30-month timeline for plan preparation which is seen as unachievable.

Another key area of concern is around the capacity of PINS to respond to the proposed procedural changes, and importantly how PINS will be held accountable for the delivery of a quality service that represents value for money.

HIPP is also concerned that the consultation fails to address some of the current main barriers to local plan progress. These include, but are not limited to, how housing needs will be addressed in areas of constraint, especially in areas with Green Belt designations; where there are major challenges around nutrient or water neutrality; or where new/improved infrastructure is needed to unlock barriers to development opportunities.

Moreover, there are significant cross-boundary matters in the plan-making system that are linked to process; however, the consultation document contains no specific information regarding the future of Duty to Co-operate under the new system or the previously proposed 'alignment test'. This policy area will be key in setting a strategic planning approach, so it will be crucial that this should be addressed going forward.

There are also areas where further clarity is required. For example, whilst the proposals to extend the transitional protection from speculative development are fully supported, it should be made clear that any plan which becomes more than 5 years old prior to the new system coming into force should likewise be protected in the interim.

Finally, it is also important to acknowledge the significant gap that currently exists in resourcing and skills which will continue to be a barrier on progress and quality in plan-making. This is especially important given the expansion of areas of expertise that will be required under the new system, such as digital technology, design codes, etc.

I hope that this response to the consultation is of use to shaping future proposals. Please do not hesitate to contact HIPP should you require any further information.

Yours sincerely

Cllr Jeremy Newmark

HIPP Chair

**CABINET
14 NOVEMBER 2023**

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: MEDIUM TERM FINANCIAL STRATEGY

REPORT OF: *Service Director: Resources*

EXECUTIVE MEMBER: *Finance and IT*

COUNCIL PRIORITY: SUSTAINABILITY

1. EXECUTIVE SUMMARY

This report recommends the Medium Term Financial Strategy (MTFS) for 2024/25 to 2028/29 to guide and inform the Council's Business Planning Process. The focus is primarily on setting a budget for 2024/25, as well as determining the actions that will be necessary in setting a longer term budget following on from that. It reflects on the many uncertainties that the Council faces.. Whilst it recommends a five year budget strategy, there will be a need to amend the strategy over time as further information becomes available.

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

2. RECOMMENDATIONS

- 2.1. That Cabinet recommend to Council that they adopt the Medium Term Financial Strategy, as attached at Appendix A.

3. REASONS FOR RECOMMENDATIONS

- 3.1 Adoption of a MTFS and communication of its contents will assist in the process of forward planning the use of Council resources and in budget setting for 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.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The Council needs to have a strategy for setting its budget to ensure that it meets its statutory duty to set a balanced budget over the medium term, and ensure that spend is prioritised towards delivering statutory services and its strategic aims (as set out in the Council Plan).

4.2 In line with the Financial Management Code (published by the Chartered Institute of Public Finance and Accountancy), the Council aspires to set a longer-term financial strategy (e.g. 10 years) that considers the various risks and plans scenarios to deal with them. However, this MTFFS deliberately takes a shorter-term view, which reflects the significant uncertainty faced by the Council

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

5.1 The Executive Member for Finance and IT and Deputy have been consulted in developing this Strategy.

5.2 No external consultation has been undertaken in the preparation of this report.

5.3 Members will be aware that consultation is an integral part of the Corporate Business Planning process, and consultation on the individual actions and projects planned to support the Objectives will be carried out in accordance with the Corporate Business Planning Timetable and the Council's Consultation Strategy.

5.4 As in previous years, Member workshops are being held in regard to corporate business planning proposals.

6. FORWARD PLAN

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

7. BACKGROUND

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

8. RELEVANT CONSIDERATIONS

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

9. LEGAL IMPLICATIONS

9.1 Finance, Audit and Risk Committee's Terms of Reference include at 10.1.5 (b) "[t]o review and recommend the Medium Term Financial Strategy to Cabinet (including, although not limited to consideration of associated procedures, policies and process)".

9.2 Cabinet's terms of reference include at 5.6.38 the power, by recommendation "to advise the Council in the formulation of those policies within the Council's terms of reference". Council's terms of reference include at 4.4.1(b) "approving or adopting the budget". The MTFFS is part of the budget setting process.

- 9.3 Councillors are reminded of the requirement, under section 30 of the Local Government Finance Act 1992, to set a balanced budget prior to the commencement of the financial year in question; and also that the Local Government Act 2003 requires the Chief Finance Officer to report on the robustness of estimates and the adequacy of reserves allowed for in the budget.

10. FINANCIAL IMPLICATIONS

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

11. RISK IMPLICATIONS

- 11.1 The key risks within the budget assumptions are referred to in Appendix A.
- 11.2 There are financial and reputational risks involved in arriving at a balanced budget against the uncertainty surrounding levels of government funding. We seek to mitigate the risks through the use of the established corporate business planning process and early involvement of members in the process.

12. EQUALITIES IMPLICATIONS

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

13. SOCIAL VALUE IMPLICATIONS

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

14. ENVIRONMENTAL IMPLICATIONS

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

15. HUMAN RESOURCE IMPLICATIONS

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

16. APPENDICES

- 16.1 Appendix A- Medium Term Financial Strategy 2023-28

17. CONTACT OFFICERS

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18. BACKGROUND PAPERS

- 18.1 None

North Herts Council

Medium Term Financial Strategy
2024-29

Purpose of the Strategy

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

The strategy is significantly impacted by inflation, including both the known impacts (e.g. the embedded impact of the high levels of inflation that we have already seen) and the unknown impacts (e.g. current and future pay inflation, future contract inflation levels). The Council's main source of income is Council Tax. Even with the additional flexibility of a 3% increase, that was (and still is) significantly less than general inflation. Most of the financial impacts of Covid-19 have now passed, although we are still seeing parking income that is less than pre-pandemic levels.

The Council is aware that high inflation levels are also affecting many of our residents. The strategy assesses our ability to use reserves to manage some of that impact, so we can avoid having to cut services at a time when our residents might need them the most.

We also face continued uncertainty over our future funding. The 2023/24 funding settlement gave some indications of what 2024/25 funding would be. But, on one hand, that was at a time when inflation was forecast to drop more quickly than it seems to be. And, on the other hand, was more optimistic about the overall state of Government finances. Beyond 2024/25 there is very little indication of what Local Government funding will look like. It seems increasingly likely that a new funding formula will be further delayed. The positive from that is that the threat of "negative RSG" is further deferred.

This strategy goes hand in hand with our Council Plan, as we can't promise to deliver things that we can't afford. The detailed projects contained within the Council Plan have been incorporated into our forecasts.

Delivering our Vision and Priorities

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

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

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

Some of what we might like to achieve uses up resources (such as money, staff time or energy). We will look to be creative in identifying opportunities that deliver our priorities without using up resources. This will include looking for external funding and working with others.

Looking forward

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

Over the last few years, we had taken the opportunity to increase the level of our general fund reserves. The plan is that we can use these to soften the impact of inflationary pressures and expected future funding reductions. However reserves can only be spent once, and it is clear that spend will need to be reduced in the medium term and balanced against the funding we receive. This will require some difficult decisions on which services meet our statutory obligations and best deliver against our priorities.

This strategy is based on significant uncertainty and as better information becomes available then this will be used. The budget that Full Council sets in February 2024 will be focused on 2024/25, but will also consider the medium term impact.

Our current budget position

Our budget for this year (2023/24) was set at a meeting of Council in February 2023. This also set indicative budgets for future years. In June 2022 we reported our end of year position for 2021/22. This report also detailed spend that had not taken place in 2021/22, that would now take place during 2022/23. The numbers below also reflect our forecasts for 2023/24 as reported at the end of the first quarter of the year (up to end of June).

	£ millions
General Fund balance at the end of 2022/23	11.990
Less: How much we plan to spend during 2023/24	(17.879)
Add: Our expected funding during 2023/24	17.394
Add: other reserves that we plan to use to fund our expenditure / release in to the General Fund *	1.144
Equals: General Fund balance at the end of 2023/24 (start of 2024/25)	12.649

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

We have a Business Rates grant reserve. Government provide businesses with various Business Rate reliefs and provide us with funding to cover them. Due to the way that Business Rate income is dealt with, we often receive the funding earlier than the actual impact on our accounts. So, the funding is put into a reserve until it is needed. In the past we have also gained from Business Rate pooling arrangements and have put these gains into the reserve to protect us from future risks. On top of the amounts that we know that we will need to cover collection fund impacts, we will also continue to set aside £1m to cover fluctuations in Business Rates income (which is made up of £0.5m for normal risk and an additional £0.5m to reflect the uncertainty from the current economic situation). On top of the £1.144m, detailed in the table above, we have a further £1.86m to release to the General Fund.

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

Covid-19 impacts

In 2022/23 and 2023/24 we set aside central budgets to cover the potential ongoing impacts of Covid-19. We have seen those impacts substantially subside, so the assumption is that there will not need to be a central budget in 2024/25 (or beyond). In 2023/24, car parking income (including season ticket sales) has still not recovered to pre-pandemic levels, but are still continuing to improve back towards those levels. There will not be a permanent adjustment made to the budget, but it is highlighted as a risk.

Inflation and cost of living impacts

The UK (as well as many other countries) has seen a period of very high inflation. The Bank of England are forecasting that high inflation (above the 2% target) will persist until the first half of 2025. Even as inflation comes down, it still just means that prices are rising less quickly. The impact is already embedded in the prices that the Council needs to pay.

As a result of high inflation the Council needs to consider the following impacts:

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

Contracted services inflation

Our largest contract is for waste collection and street cleansing. The contract is inflated in May each year based on a basket of indicators with the following weightings: 35% wage inflation, 40% general inflation, 15% fuel inflation and 10% uninflated. The increase in May 2023 was 9.9%, and we are forecasting an increase of 3% in May 2024, before returning to around 2% from May 2025. The May 2024 inflation estimate is partly driven by a reduction in fuel costs (since inflation was last calculated in May 2023) and this can be affected by wider global and political events.

Inflation on our grounds maintenance contract is linked to CPI and the increase for 2024/25 is estimated at around 5%.

Electricity and gas prices seem to have stabilised after some exceptionally high increases. We are forecasting an increase of 5% for 2024/25. As with fuel prices, these can be affected by wider global and political events.

Overall the estimate for contract expenditure inflation is around £600k in 2024/25, and then reducing to around £325k from 2025/26 onwards.

Pay inflation

For 2023/24, we increased our inflation estimate up to 4% (it had previously been 2%), and kept it at 2% for each year from 2024/25 onwards. The pay award for 2023/24 has still not been settled. In the Quarter 1 (2023/24) budget report, the forecast spend was increased to be in line with the employer offer. This has also been adjusted in future projections. The final pay award may still be higher than this.

As inflation has not subsided, it will be necessary to increase the pay award estimate for 2024/25. It is estimated that this should be 4%. For 2025/26 onwards it is expected that inflation should be around 2%, but as it is unlikely to be at that level by April 2025 it is recommended that 3% is assumed for the 2025/26 pay award. The estimates for 2026/27 onwards can stay at 2%.

The Council struggles to recruit staff, especially in certain professional areas (e.g. planning, estates, legal, IT and environmental health). Whilst the Council promotes the non-financial benefits it can offer employees, a lot of this struggle will relate to pay. The pay award estimates will not affect the Council's attractiveness in the employment market. That would require a much more significant change to the employment offer. That is not covered within this strategy but has to be considered in the context of delivering the Council Plan and the Council Delivery Plan.

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

It has previously been decided that parking charges should be modelled on assuming a 2% increase each year. That is not a target increase, and actual increases will need to consider managing demand, cost of provision, encouraging modal shift away from private car use and supporting the vitality of town centres. This assumption of a 2% increase will be retained. The Council will also bring forward the date of implementation of increases in each year, to reverse the delays (during the year) that arose following the Covid-19 pandemic. The target will be that the increases are applied from September in 2024/25, July in 2025/26 and June from 2026/27 onwards.

The Council has previously made a decision to change the garden waste charge to £49 for an extended 18 month period (up to April 2025). The current assumption is that this will revert to being an annual charge from April 2025 onwards. This will need to be reviewed during 2024, when the costs of the waste contract from May 2025 are known.

We believe that trade waste and the trade recycling market can bear increases in costs, and that we should be pricing in line with the wider market. The starting assumption is that increases in charges should be in line with forecast contract collection cost increases and disposal cost increases. This will be reviewed prior to April each year, and actual increases may be higher or lower.

Where fees and charges are set by regulation (e.g. planning fees) then the Council will set charges in line with those regulations. The assumption is that any ancillary charges will be increased in line with increases in general fees and charges.

All other fees and charges provide a relatively low amount of income. These have historically been increased in line with CPI + 2%. This has been adjusted in recent years as CPI has been exceptionally high. The target is that these fees and charges should recover the full cost of provision. Costs of provision are generally likely to increase with pay inflation. Therefore the assumption will be that prices should increase in line with pay inflation estimates.

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

Eligibility for Council Tax Reduction Scheme

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

We moved to a banded scheme for working-age CTRS eligibility in April 2023. The new scheme and current economic conditions have resulted in an increase in the total value of support that is being provided. This has been seen in the tax base calculations (the weighted number of properties that pay Council Tax) which have decreased by 0.34%. Our budget assumptions are based on a net 0.5% increase in the tax base to reflect property growth. We actually expect the increase in properties to be around 0.65%, as some of the Council Tax from each additional property will be used to fund the direct costs (i.e. waste collection) that we will incur.

The Council Tax forecasts for 2024/25 will be based on this lower than expected Council Tax base. The exact reasons for the increased eligibility will be examined during the remainder of this year and in to early 2024/25. The forecasting assumption is that there will be a reversal of the tax base drop.

Interest Rate changes

Even though inflation is starting to come down, it is looking more likely that higher interest rates will need to stay in place for longer than previously expected to return (and keep) inflation at target levels. The medium-term assumption is that interest rates will return to around 2% (in line with the Bank of England inflation target). As the Council currently has minimal borrowing and relatively high cash investment balances, this could mean in the short-term that significant additional income will be generated (compared to previous forecasts). These forecasts will be updated as part of the Investment Strategy (to be approved at February Council) and will incorporate interest rate forecasts from our treasury advisors.

Pension costs

The latest triennial valuation (for March 2022) was completed before the 2022/23 budget was set. That valuation set our pension contribution rates for the next three years up until 2025/26. Forecasts for 2026/27 onwards will be based on the current valuation.

Contract costs

The Council is currently in the middle of procurements for its waste and street cleansing contract, and for its leisure contract. As we do not have final tenders for either contract, the current forecasting assumption is that these contracts will continue in line with current budgets (with adjustments for inflation). However, we are aware that other Councils have seen exceptional increases in prices when looking at new contracts, even where there were inflationary clauses over the previous contract period. There is therefore a risk of an increase in these contract amounts.

Waste legislation changes

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

- Introducing consistent waste collection across all areas of the country (e.g. same materials in the same types of bins) and being stopped from charging for garden waste collections. The latest feedback is that we will still have flexibility as to how we collect recyclable materials (i.e. including co-mingled collections) and will be able to charge for garden waste collections. We will be required to provide a weekly food collection service (as we already do) and may get some new burdens funding for that (only to be added in to the budget when we know how much it would be). We may be required to collect residual waste at least fortnightly, with indications that such a change would not be covered by new burdens funding.
- Introduction of a Deposit Return Scheme (DRS), which would have an impact on what we collect at the kerbside. It is likely to mean that higher value recycling materials would be taken to deposit return locations, leaving us to collect the remainder. This would negatively affect the net costs of disposal for recycling materials.
- Extended Producer Responsibility (EPR), which places the financial burden for waste on those that are producing it at source.

It is still not yet fully known if, how and when the above will be adopted (especially DRS and EPR). Where they are adopted, we would usually expect (see comments above in relation to fortnightly residual collections) to receive New Burdens Funding, but we don't know how this will be calculated and allocated. However, for forecasting purposes it will be assumed that there will be a net zero impact on waste costs, although there are risks in relation to that.

Housing growth, planning income and impact on tax base

The adoption of the Council's Local Plan means that there will be large new developments in the District. The precise timing of these developments is not known, and may be affected by the impacts of high interest rates, high inflation and a potential economic recession.

As these sites go through the planning process, they will generate significant planning income. Some of the capacity to deliver these has already been included in previous staffing growth bids. There will also be additional internal and external resource required. Where possible, the cost of short term external resources, and to a limited extent the internal resources, will be met through Planning Performance Agreements. However, these are voluntary agreements and cannot be required. The forecast cost of longer-term internal resources is forecast to be less than the additional income generated. Due to the uncertainty over timing, it is not possible to come up with a precise planning income forecast, and the impact and timing of the expected planning fee increases are not yet confirmed. So, the approach will be to develop a prudent estimate averaged over a number of years, with higher proportions of the total in later years. Where there are over-achievements in early years, these will be put into a central reserve to enable the smoothing of any shortfalls in later years. When prudent, any balance in the reserve will be released back to the General Fund. The reserve will not be used to directly fund additional planning expenditure. The estimates relating to this planning income will be developed in time for the setting of the 2024/25 budget. They are not incorporated into the estimates contained in this strategy.

The Council has not yet fully assessed the impact on its costs of significant housing growth (beyond estimating additional waste collection costs). So, even though that housing growth will lead to a significant

increase in the tax base, this is not assumed as additional Council Tax funding income. Instead (as detailed in the section on CTRS) average annual net 0.5% growth will be assumed.

Delivering our priorities

Our Council Plan sets out our vision and priorities for 2022-27. As there have been no changes to that vision and priorities, it has not been necessary to update the Council Plan this year. The Council will continue to monitor the projects that support the delivery of the Council Plan through the Council Delivery Plan. The Council Delivery Plan is reviewed on a quarterly basis by Overview and Scrutiny and Cabinet.

As detailed in the previous section on pay inflation, the Council is facing issues with staff recruitment and retention. This is impacting on the delivery of the Council Delivery Plan and will continue to do so. Cabinet will be carrying out a prioritisation review of the Council Delivery Plan.

The table below details those projects that are in the current Council Delivery Plan (as reported to Cabinet in September 2023) and the financial implications of those projects in 2024/25 onwards:

Project	Resources
Churchgate area regeneration	Overall expected that the scheme will be at least cost neutral in net revenue terms, including the revenue effects of any capital spend.
New Ways of delivering housing on Council Land	Overall expected that the scheme will be at least cost neutral in net revenue terms, including the revenue effects of any capital spend. The impact of delays to capital receipts will need to form part of any decision.
Resident/ Public EV charging in our car parks	Grant funding has been awarded, so no further costs assumed, subject to finalisation of the private sector partner funding
Royston Leisure Centre Solar Thermal Solar PV on leisure centres	This funding may be reallocated to provide match funding for a Public Sector Decarbonisation Fund (PSDF) bid. That bid may enable more energy saving schemes to be delivered for a similar level of Council contribution. If PSDF bid is not successful, then the projects will progress. The schemes have a payback that means they will generate revenue savings that exceed the revenue cost of capital. These savings are not yet included in future forecasts.
Town Centre Strategies	Likelihood of additional costs as there is not the capacity to deliver through existing staff resources and further studies will be required. May be reflected as a financial risk.
Charnwood House	There is a capital budget allocated for improvement works. This will require some The match funding from a community group. The revenue budget assumes that the Council will not incur any property management costs from 2025/26 onwards.
Place Narrative for North Herts	Being delivered via existing staff.
Cycling Networks	An infrastructure plan is expected to have been adopted by April 2024. The actual cycling infrastructure is expected to be delivered via developer contributions, as well as old grant funding that is held in a reserve.
Empty Homes Strategy	Strategy will be adopted by April 2024. Being delivered by existing staff, although low level of resource available.
Alternative Methods of Payment for parking	Funding included in the capital programme. Assumed that no impact on parking income.
Financial Sustainability	Being delivered via existing staff.
Health inequalities	Fully dependent on external funding. We have been flexible with funding to offer some job security to those staff undertaking work on this.
Leisure centre procurement	To be completed before April 2024
Local Authority Housing Fund	Due to be completed before April 2024.
Master Planning	Income through voluntary Planning Performance Agreements is expected to match any additional external costs.
Museum Storage	Funding included in the capital programme. To review alternative options and any additional ongoing revenue costs before making a decision on proceeding.
Oughtonhead Common Weir	Funding included in the capital programme.
Playground Renovation Programme	Planned as a continuous cycle which requires an extra year of funding to be added in each budget cycle.
Royston Town Hall Annexe	May generate income or a capital receipt (not budgeted) but dependent on Estates staff resource to progress.

Shared Prosperity Fund	All direct costs funded from the grant. However it does require some resource in terms of project delivery, project monitoring and required grant returns. Some of the grant administration can be covered from the grant.
Town Centre Recovery	Mainly being delivered via the Shared Prosperity Fund, although that is time limited funding (to March 2025).
Waste and Street Cleansing Contract Procurement	The majority of the procurement work should be completed by April 2024. Project support (including project management, Legal and professional advice) is being funded from the waste reserve.
Work with relevant partners to prevent and relieve homelessness whenever possible	Mostly being delivered from grant funding. Risk in relation that grant funding continuing.
Enterprise Strategy	Expectation is that the Strategy will set out what is due to be delivered using existing resources.
Local Plan delivery and review	Expectation is that can be delivered from existing staff resource, with previously agreed (and to be proposed) budget growth. Recruitment and retention may increase costs if that means greater use of agency staff or consultants.
Waste depots	There is a capital allocation in place for a new depot in Baldock. It has not yet been possible to test the accuracy of the forecast costs or any associated additional revenue costs. Therefore, there is likely to be a need to update those budget estimates in future years.

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

Future funding from Government

Our funding is controlled by Government in the following ways:

- If we want to increase our Council Tax by more than a certain amount, then we must hold a referendum. Government set this limit each year and last year it was the greater of 2.99% or £5 on a band D property (with the other bands increased in proportion). In previous years it was 1.99% or £5.
- They set how much of the Business Rates that we collect that we can retain.
- They determine how funding from New Homes Bonus works. This is a reward to councils for encouraging the building of new homes.
- They can allocate other general funding and grants.

There was supposed to be a significant change to the way that we and other local authorities were funded. This would have included a new funding formula and a change to how much of the Business Rates that we collect we could retain. It is now expected that the earliest that this change will be introduced will be 2026/27, although it is possible that it could be from 2025/26.

We had been told that in 2019/20 our funding from Business Rates would be cut by over £1m. This had become known as negative RSG (Revenue Support Grant). This cut in funding has not yet taken place. When a new funding formula is introduced, we are working on the assumption that it will be broadly in line with the formula that determined we should have a negative RSG imposed upon us. Although the assumption is that the cut will be £1m, rather than being inflated from the 2019/20 total. Also, assuming that it would be phased in over two years, with half the impact (£0.5m) in the first year (2026/27).

We currently provide our Parish, Town, and Community Councils with a total of £39k of funding, in addition to what they raise through their precepts. This was initially linked to the localisation of Council Tax support (CTRS). Our policy has been that this support should reduce in line with the funding that we receive from

Government. The amount that each Council receives is very small and could be covered by a small increase in their precept.

There has been a consultation on the New Homes Bonus, which made several proposals on how it might be changed in future years. There has not yet been any indication of what might be adopted. The assumption is that New Homes Bonus will continue for one more year. However, this is somewhat superseded by guarantees in relation to Core Spending Power.

The Councils 'Core Spending Power' (a measure of funding determined by Government) is made up of the following:

- Baseline retained Business Rates
- Council Tax
- New Homes Bonus
- Other general grants- in 2023/24 this included a Services Grant of £100k

For 2023/24 the Council's Core Spending Power is £17.2m. In 2023/24 there was a guarantee from Government that core spending power (before the impact of Council Tax rate increases, but after an assumption on growth in the base) would increase by at least 3%. Where this was not going to be achieved through other funding, Councils would receive a funding guarantee grant from Government. The Council did not get a funding guarantee grant, as it received a high level of New Homes Bonus. Based on announcements in 2023/24, it is assumed that the 3% promise will also apply for 2024/25. For 2025/26 onwards we will assume that Core Spending Power will not reduce, even where negative RSG is applied.

Council Tax

As detailed previously, we will assume that our Council Tax base for 2024/25 will be based on the latest September 2023 Tax base calculation. For 2025/26 we will assume that the base will be 1% higher than the 2023/24 budgeted Council Tax base (i.e. a reversal of the reduction seen for 2024/25). The assumption for 2026/27 onwards is a net tax base growth of 0.5% per year. The actual growth is expected to be higher, but some of the additional income will be needed to provide services to the new properties (e.g. waste collection).

We are assuming that Government will allow Council Tax increases for 2024/25 by up to 2.99% without the need for a local referendum. In calculating the funding that is available, Government assume that councils will increase their Council Tax by the maximum available. To do as much as we can to maintain our service provision, we will increase our Council Tax by the maximum possible, without the need for a referendum.

For 2025/26 onwards we are assuming that Government will revert to increases of up to 1.99% without a local referendum for lower tier Councils. The assumption is that the Council will choose to increase by this amount.

For each year it is likely that there will also be the provision for Council Tax increases of £5 for a band D property (other bands pro rata), even if this is more than the stipulated percentage. The Council's tax rate is now at a level where the percentage increases will be higher than the £5 increase.

Our reserves

We are required to make sure that we have a certain level of reserves when we set our budget. This is to provide protection against known and unknown risks. This includes us being able to react to changes in demand and any emergencies that may arise. Our allowance of known risks is based on estimating the monetary impact of an event happening and applying a percentage to this, based on the likelihood of it happening (high, medium or low). Our allowance for unknown risks is based on 5% of net expenditure and 3% of budgeted income (excluding Housing Benefit). For 2023/24 this gave a minimum balance of £2.5m. It is assumed that it will need to continue to be at around that level.

We are forecasting that our General Fund reserves at the start of 2024/25 will be £12.65m. We will plan to use our reserves to smooth some of the impact of the savings that we are forecasting that we need to deliver. We will also plan to retain reserves to give us time to respond to the further uncertainties that are detailed in this strategy. In planning our future budgets, we need to make sure that we stay safely above the minimum General Fund level.

Our future forecasts and savings required

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

£ thousands	2024/25	2025/26	2026/27	2027/28	2028/29
General Fund balance at the start of the year	12,649	12,649	12,037	11,331	11,979
Less: How much we plan to spend during the year on existing services (before making savings)	18,999	19,771	19,152	18,770	18,617
Add: Our expected funding during the year	17,894	17,907	17,927	17,938	17,944
Add: other reserves that we plan to use to fund our expenditure	1,105	751	0	0	0
Add: additional net savings that we need to deliver *	0	500	1,000	1,000	600
Equals: General Fund balance at the end of the year	12,649	12,037	11,331	11,179	11,106

* These are the additional savings that need to be delivered in each year. Over the five-year period the cumulative annual savings that will be required are **£3.1 million**.

Addressing our funding gap

The table above shows savings that we need to deliver to achieve a balanced budget by 2028/29. That means that by that year our funding will equal our expenditure. Savings could mean any of the following:

- Being able to deliver our existing services at a lower cost. The use of technology and automation may enable to do this in some areas. But generally, the savings that we have delivered across a number of years have been through efficiencies, meaning that there are fewer opportunities left.
- Being able to generate additional income from services that we are able to charge for, less any costs in providing that additional level of service.
- Being able to generate income from commercial activities. The opportunities to do this are limited by economic conditions and government policy. We also need to make sure that these activities are in line with our priorities.
- Reducing the level of services that we provide, or no longer providing services that we are not required to provide. Whilst we would always want to avoid this, we have to consider the overall sustainability of our Council.

It is expected that the majority of the work to identify savings will need to take place after the May 2024 elections, as that will give the administration at that time the ability to fully align their spending and priorities over the 4-year period of the election cycle. The current level of the Council's reserves allows that approach, as long as any investments (increases in spend, decreases in income) in the 2024/25 budget are focused on essential areas only.

Capital budgets

We are currently able to fund our capital expenditure (spend on assets that have a useful life of more than one year) from our capital reserves. Previously that has meant that the revenue cost of our capital investments has been fairly low. However, as interest rates are currently over 5%, every £1m of capital investment is an annual revenue cost of £50,000 in lost income.

Over the next few years we will run out of capital reserves. When that happens, we have to charge a Minimum Revenue Provision (MRP). A MRP charge is a revenue cost that spreads the cost of unfunded (i.e. not met from capital receipts or grant funding) capital expenditure over the life of the Councils assets, so that over time capital expenditure is fully funded. The intention is that the life of the assets will be assumed to be 40 years, so for unfunded capital expenditure of £40m there would be a revenue cost of £1m per year for 40 years. If interest rates are still around 5% when we have to make a MRP charge then the cost of capital would be around 8% (i.e. every £1m of capital investment is an annual revenue cost of £80,000).

In the longer term we will also have to borrow externally to fund borrowing costs too (in addition to MRP). The cost of that borrowing will depend on interest rates at the time, but the cost of borrowing will always be at a premium above investment returns.

Therefore, all discretionary capital spend will be assessed on the assumption that funding costs will be incurred.

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

Any opportunity to generate capital receipts from the sale of surplus land and buildings will help to provide additional capital funding and reduce the revenue costs of capital that have been described.

ANNEX 1 Other Budget Assumptions

- Treasury Investment income will be assessed as part of the Investment Strategy each year. Yields will be based on estimates from our treasury advisors.
- Contract inflation in accordance with the individual contract terms.
- No allowance is made for general inflation on remaining expenditure. Although after allowing for salary and contractual inflation, the remaining amount is insignificant.
- An assumed 99% collection rate for the purposes of calculating the Council Tax base.
- An assumed 97% collection rate for Business Rates
- A vacancy factor set at approximately 2.5% of salary budget to yield in the region of £400k is included in the base budget in each year.
- The Council will not subsidise areas which are the responsibility of another precepting body other than through a one-off match-funding arrangement where this is in the interests of the local Council taxpayers.
- All assumptions are subject to further refinement during the budget process as more certain information becomes available.

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CABINET
14 November 2023

PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: WASTE, RECYCLING AND STREET CLEANSING CONTRACT SERVICE DESIGN

REPORT OF: SHARED SERVICE MANAGER – WASTE MANAGEMENT

EXECUTIVE MEMBER: CLLR AMY ALLEN, EXECUTIVE MEMBER FOR RECYCLING AND WASTE

COUNCIL PRIORITY: SUSTAINABILITY

1. EXECUTIVE SUMMARY

Cabinet agreed the service design for the new waste, recycling and street cleansing contract on 25 October 2022, along with new aims and principles of the Shared Service, based around delivering services which are both financially and environmentally sustainable.

Officers are currently undergoing a competitive dialogue procurement and are seeking a decision from Cabinet on further service design options that can be considered in order to achieve the long-term financial sustainability of the service and the Council.

2. RECOMMENDATIONS

- 2.1. That the Service Director of Place in consultation with the joint Waste Project Board be delegated the authority to agree the waste and recycling service design changes identified in 8.2 of this report, subject to them being the most financially sustainable solution for the Council.
- 2.2. That the Service Director of Place in consultation with the joint Waste Project Board be delegated the authority to agree the street cleansing service design changes identified in 8.2 of this report, subject to them being the most financially sustainable solution for the Council.

3. REASONS FOR RECOMMENDATIONS

- 3.1. The competitive dialogue procurement process allows the Council to explore service design options which may present benefits to the Council. The process so far has identified that significant cost increases are likely from the waste, recycling and street cleansing services in the next contract.

- 3.2. Officers have considered the initial offers from bidders and discussed opportunities for specification changes with them, which are aligned with the Council's aims for high performance, but that will reduce the costs to the Council with minimal impacts on perceived performance.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. See Part 2 report

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 Independent workshops were held with a small group of administration Councillors from East Herts Council (EHC) and North Herts Council (NHC) in September 2023 to discuss potential options for changes to the service specification on both waste and recycling and street cleansing. The findings from these workshops were then identified to Project Board on 2 October 2023.

6. FORWARD PLAN

- 6.1 This report contains a recommendation on a key Executive decision that was first notified to the public in the Forward Plan on 13 October 2023.

7. BACKGROUND

- 7.1. East Herts Council (EHC) and North Herts Council (NHC) entered into a Shared Service arrangement in 2017 and a joint contract was let which commenced in May 2018.
- 7.2. The service comprises a 'client' management structure located at the Buntingford Depot and two operational hubs comprising separate contractor management teams and separate contractor workforces for East and North Herts Councils.
- 7.3. The current service covers the requirements for the collection of waste and recycling from approximately 124,000 households and over 1920 commercial customers as well as street cleansing services across East and North Hertfordshire.
- 7.4. In 2014, the Councils agreed to progress from a Strategic Outline Case to an Outline Business Case for the shared service specifically exploring potential additional savings in joint contracts, savings in client overheads including depot costs, governance and management proposals and jointly agreed policies to form the basis of a joint specification.
- 7.5. Prior to the formation of the shared service client team in December 2017, both Councils made unilateral decisions on the service offering to residents for waste, recycling and street cleansing services which formed the basis of the joint contract with Urbaser.
- 7.6. The independent decision making at each authority led to different decisions being made by North Herts Council and East Herts Council regarding the provision of services to residents.

- 7.7. At their respective Executive/Cabinet meetings on 19 April 2022 and 22 March 2022, new aim and principles for the shared service were agreed, focusing on efficient services which are environmentally and financially sustainable. The aim and principles are attached in Appendix 1.
- 7.8. At the respective Executive/Cabinet meetings on 25 October 2022 the service design for the new waste, recycling and street cleansing contract was agreed and minor changes to the specification were delegated to the Service Director of Place for NHC and Head of Operations for EHC, in consultation with Project Board.
- 7.9. On 21 October 2023 the government published its response to its consultation on the resources and waste strategy and resulting in proposed legislative and statutory guidance changes. Officers are in the process of reviewing the information and will be responding to a further consultation on the statutory guidance aimed at supporting the governments 'simpler recycling' proposals.
- 7.10. Some elements of the governments legislative and statutory guidance changes are not aligned with the current contract specification but at this stage there is insufficient clarity to make any further formal decisions. It is expected that further decisions will be required in late 2024 once more detail is known.
- 7.11. Officers will work with consultants Eunomia and legal representatives Sharpe Pritchard to ensure that the procurement exercise can progress on its current timeline and provide sufficient opportunities for any necessary changes required to the specification.

8. RELEVANT CONSIDERATIONS

- 8.1. Officers have been in dialogue with bidders to explore options regarding changes to the specification requirements, which may bring forward savings against the bid prices.
- 8.2. Officers are therefore seeking approval to consider alternative service design options in consultation with project board. The options being considered include:
 - a) A change from source separated paper to fully commingled dry mixed recycling
 - b) The monthly (four weekly) collection of separated paper
 - c) The three weekly collection of separated paper and cardboard predominantly in boxes and the three weekly collection of the remaining dry mixed recycling (A 3,3,3 cycle)
 - d) A removal of the continuous street cleansing presence in town centres and back to standard by 9am (including SLA changes identified in '1' below).
 - e) A removal of approximately 30% of litter bins from predominantly outside the town centres
 - f) A removal of the requirement to pay for traffic management for high-speed road cleansing, with this cost liability being with the Council.
 - g) A change to an input* specification for high-speed road cleansing to once per year
 - h) A change to an input* specification for high-speed road cleansing to twice per year
 - i) Removal of additional seasonal leaf fall clearance.
 - j) An extension of the bin delivery/repair SLA to from 5 days to 9 days.

- k) An extension of missed bin rectification SLA from 5pm the next working day to 72 hours with the exception of missed whole streets which will remain 5pm the next working day.
- l) A change in all of the following street cleansing SLAs

Type	Current Specification	Proposed
1 Cubic Metre fly tipping	2 working days	5 working days
10 Cubic Metre fly tipping	10 working days	10 working days or by agreement with the Supervising Officer
Grade B - Medium intensity Retail	6 hours	Remove rectification requirement for grade B.
Grade B - High Intensity Retail	3 hours	5 hours
Grade C - Medium Intensity Housing	48 hours	3 working days
Grade D - Medium Intensity Housing	24 hours	48 hours
Grade C - Low Intensity Housing	3 working days	5 working days
Grade D - Low Intensity Housing	48 hours	3 working days

** In an 'input' specification the Council prescribed the frequency of cleansing which may or may not meet the needs of an area but limits the resource requirements and cost liabilities of the contractor. In an 'output' specification which is as currently drafted the contractor must ensure that cleansing standards are maintained regardless of the resource requirements and the full cost liability sits with the contractor.*

- 8.3. A final decision on the specification will be made once dialogue is completed and this will be presented to Project Board for a decision to be made. Due to extremely tight timescales, it will not be possible to bring a further report to Executive and Cabinet.
- 8.4. This report does not contain full detail on the implications of each element of these potential changes, but this detail will be provided to Project Board, for a final decision to be made.

9. LEGAL IMPLICATIONS

- 9.1 The Cabinet has authority to decide to proceed with a Competitive Dialogue procurement for the waste & recycling collection and street cleansing contract. Cabinet terms of reference at 5.7.36 state that Cabinet may exercise the following functions: *“To determine those procurement matters reserved to Cabinet by the Contract Procurement Rules.”* The recommendation contained within this report will allow officers to consider alternative service design options within that Competitive Dialogue process in consultation with the Waste Project Board. Additionally, Cabinet has authority at 5.7.15 to *“oversee the provision of all the Council’s services other than those functions reserved to the Council.”*
- 9.2 Otherwise, see Part 2 report

10. FINANCIAL IMPLICATIONS

- 10.1. The Council's budget and Medium Term Financial Strategy has had a core assumption that the new contract would be in line with the current budget. That was on the basis that:
- There was no better information to go on, especially with unknown Government proposals in relation to consistent collections, Deposit Return Scheme and Extended Producer Responsibility.
 - We have already put in place measures in the new contract specification that should help reduce costs (e.g. three weekly collections), but the exact financial impact was unknown.
 - Whilst the Council does not provide capital funding for contract vehicles, it does capitalise the cost of the vehicles (this is in line with accounting regulations). This use of capital funding reduces the revenue cost of the contract. This revenue saving is currently added to a reserve for future vehicle funding. To help balance the budget the Council could choose not to fund the capital cost of the vehicles in this way.
 - In addition to the core assumption, a risk was highlighted that there could be a risk of higher costs with the contract. This risk is what has now happened.
- 10.2. As detailed in the risk section, there are uncertainties in relation to the recent announcement from DEFRA regarding frequency of residual waste collections. If it was not possible to extend the frequency of residual waste collections, then that would increase contract costs. Those costs could be higher than they would have been if DEFRA do not provide certainty as soon as possible. The availability of New Burdens funding for weekly food collection would help the Council's budget forecasts, but the amount of any funding is unknown and may not be known until later in 2024.
- 10.3. There are decisions that can be made in relation to waste services that affect the budget position, but do not relate to the contract specification (e.g. levels of fees and charges). These will have to be considered at some stage, but are not within the scope of this 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 On 21 October 2023, DEFRA released details of their proposals in relation to 'simpler recycling' collections. It was positive that there was confirmation that there would be local choice on the extent to which recyclable materials could be commingled, as that reduces the risk in relation to the contract. However, there was an unexpected announcement that there would be a consultation on residual waste collections having to be at least fortnightly in frequency. That is a risk in relation to increased costs for service provision, but also adds complexity and risk into the contract procurement process. Officers are working with consultants Eunomia and legal advisors Sharpe Pritchard to mitigate these risks.

12. EQUALITIES IMPLICATIONS

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2. An Equalities Impact Assessment was completed in October 2022 based on the current proposed service specification for the waste contract from 2025. Households producing large quantities of child or adult nappies will be supported by the provision of policies allowing for these properties to remain on fortnightly residual waste collections. A further assessment will need to be carried out depending on the nature of the final service specification options taken forward prior to contract award.

13. SOCIAL VALUE IMPLICATIONS

- 13.1. As the recommendations in the report relate to a contract above the WTO GPA threshold, Social Value has been included by an evaluation model allocating 10% weighting for social value. This will result in a sufficiently high consideration of social value at tendering.

14. ENVIRONMENTAL IMPLICATIONS

- 14.1. Overall, to date there are forecasted to be positive environmental impacts from changes to the waste contract for East and North Herts. These come, amongst other things, as a result of proposals to reduce frequency of general refuse collections from fortnightly to three weekly, meaning a reduction in emissions for NHC and a mitigation of emissions for EHC resulting from refuse freighter journeys, and an anticipated increase in resident recycling rates over time. Whilst outside the scope of the decisions being made, it is clear that there would be negative environmental implications if there was a Government decision to require at least fortnightly collection of residual waste.
- 14.2. The proposed introduction of a Waste Awareness Officer will also allow us to run more campaigns and events to support residents to reduce their waste and develop greater understanding of which items are recyclable. This will help residents to adapt to the contract changes which include a proposal to introduce plastic film into the recycling bin.
- 14.3. An environmental impact assessment was carried out in October 2022, based on the current proposed service specification for 2025 onwards. A further assessment will need to be carried out depending on the nature of the final service specification options taken forward prior to contract award.

15. HUMAN RESOURCE IMPLICATIONS

- 15.1. There are no direct human resource implications as a result of this report.

16. APPENDICES

- 16.1. Appendix 1 – Aims and Principles of the Shared Waste Service

16.2 Appendix 2 – See Part 2 Report

17. CONTACT OFFICERS

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18. BACKGROUND PAPERS

18.1 Other than those referred to above, and confidentially in the Part 2 report, none

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Appendix 1 – Aim and Principles of the Shared Waste Service

Waste Shared Service Aim

Delivering high quality and well performing services which are both financially and environmentally sustainable.

Waste Shared Service Principles

- a. Maintain and/or improve service standards through efficient working.
- b. Achieve service improvements, greater resilience, efficiencies, cost reductions or better performance through service alignment
- c. Deliver service changes aligned with the government's Resources and Waste Strategy which demonstrate a net environmental benefit
- d. Work in partnership with contractors to develop and evolve a carbon management plan identifying how operations can deliver year on year carbon savings and move towards services with net zero carbon emissions.
- e. Improve efficiencies and enhance the offering for chargeable waste and recycling services and explore commercial opportunities
- f. Work in partnership with contractors to explore new opportunities to reduce costs and ensure the delivery of financially sustainable services
- g. Providing residents and customers with improved and enhanced online self-serve opportunities delivering any service changes with this in mind
- h. Work in partnership with contractors to improve and modernise working practices and make our services an attractive place to work
- i. Work with the Herts Waste Partnership and other partners to share knowledge, best practice, reduce waste and embed circular economy principles in service delivery.

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