

NORTH HERTFORDSHIRE DISTRICT COUNCIL

CABINET

**MEETING HELD IN THE COUNCIL CHAMBER, DISTRICT COUNCIL OFFICES, GERONON ROAD, LETCHWORTH GARDEN CITY, SG6 3JF
ON TUESDAY, 6TH FEBRUARY, 2024 AT 7.30 PM**

MINUTES

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

In Attendance: *Isabelle Alajooz (Legal Commercial Team Manager and Deputy Monitoring Officer), Ian Couper (Service Director - Resources), Susan Le Dain (Committee, Member and Scrutiny Officer), Jo Doggett (Service Director - Housing & Environmental Health), Geraldine Goodwin (Revenues Manager), Caroline Jenkins (Committee, Member and Scrutiny Officer), Martin Lawrence (Strategic Housing Manager), James Lovegrove (Committee, Member and Scrutiny Manager) and Anthony Roche (Managing Director).*

Also Present: *There were no members of the public present at the meeting.*

261 APOLOGIES FOR ABSENCE

Audio recording – 1 minute 54 seconds

No apologies for absence received.

262 NOTIFICATION OF OTHER BUSINESS

Audio recording – 2 minutes

There was no other business notified.

263 CHAIR'S ANNOUNCEMENTS

Audio recording – 2 minutes 5 seconds

- (1) The Chair advised that, in accordance with Council Policy, the meeting would be audio recorded.
- (2) Members were reminded that this Council had declared both a Climate Emergency and an Ecological Emergency. These were serious decisions and meant that, as these were emergencies, all of us, officers and Members had that in mind as we carried out our various roles and tasks for the benefit of our District.
- (3) The Chair drew attention to the item on the agenda front pages regarding Declarations of Interest and reminded Members that, in line with the Code of Conduct, any Declarations of Interest needed to be declared immediately prior to the item in question.
- (4) The Chair advised for the purposes of clarification that 4.8.23(a) of the Constitution did not apply to this meeting.

264 PUBLIC PARTICIPATION

Audio recording – 3 minutes 19 seconds.

There was no public participation.

265 ITEMS REFERRED FROM OTHER COMMITTEES

Audio recording – 3 minutes 24 seconds

The Chair advised that items 5A, 5B and 5D, referred from the Overview and Scrutiny Committee and the Finance, Audit and Risk Committee, would be taken with their respective items on the agenda. Item 5C would be considered as a standalone item.

5C) Finance, Audit and Risk Committee – Investment Strategy (Integrated Capital and Treasury)

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 there had been discussion around:

- Trying to understand the effect that borrowing would have on the Council.
- What future borrowing rates would be and how that would affect finances.
- The concerns that all Councillors had regarding finances across the country.
- Understanding the risks involved in the investment strategy and how to manage them.
- The importance of feedback being received to ensure scrutiny.

Councillor Ian Albert, as Executive Member for Finance and IT, presented the report entitled 'Investment Strategy (Integrated Capital and Treasury)' and advised that this report had been compiled by looking at range of capital projects going forward as part of the budget workshops held in November.

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

RECOMMENDED TO COUNCIL: That Council:

- (1) Approve the adoption of the Investment Strategy (as attached at Appendix A), including the capital programme and prudential indicators. This incorporates the changes referenced in paragraphs 5.1 to 5.3.
- (2) Approve the adoption of the four clauses in relation to the Code of Practice on Treasury Management (as detailed in paragraphs 8.10 to 8.16).

REASONS FOR RECOMMENDATIONS:

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

266 UPDATE TO COMMON HOUSING ALLOCATION SCHEME

Audio recording – 9 minutes 24 seconds

Councillor Sean Prendergast, Executive Member for Housing and Environmental Health, presented the report entitled 'Update to Common Housing Allocation Scheme' and advised that:

- The changes were to ensure that the Council provided affordable, safe and suitable housing to those residents in most need.
- There had been a re-evaluation of the criteria of terms and eligibility required.
- The major changes would bring North Herts Council broadly into line with other local authorities and these were highlighted in section 8.3 of the report.
- The changes made were fair overall and highlighted the essential need for more affordable housing not only in the district, but in the whole country.
- The Local Plan would ensure that North Herts Council provided 40% of affordable housing on developments in the district.

Councillor Prendergast wanted to record his thanks to everyone in the housing team, with particular thanks to Tiranan Straughan, for the excellent work carried out in the production of this report.

Councillor Sean Prendergast proposed and Councillor Keith Hoskins seconded and, following a vote, it was:

RESOLVED: That Cabinet:

- (1) Approved the updated Common Housing Allocation Scheme.
- (2) Delegated to the Director of Housing and Environmental Health in conjunction with the Executive Member for Housing and Environmental Health, the power to make minor amendments to the Common Housing Allocation Scheme from time to time and to agree the date for its commencement.

REASON FOR DECISIONS: To update the Common Housing Allocation Scheme (CHAS), to ensure that scarce affordable housing in the district continues to be prioritised for households in the greatest need. Also to ensure that the CHAS remains up-to-date following changes in the policy environment and working practices.

267 EMPTY HOMES STRATEGY

Audio recording – 12 minutes 14 seconds

In the absence of the Chair and Vice Chair of the Overview and Scrutiny Committee, the Chair invited Councillor Sean Prendergast to present the referral on this item. Councillor Prendergast advised that there had been discussion around what would be achieved with this strategy to bring empty homes back into use.

Councillor Sean Prendergast, Executive Member of Housing and Environmental Health, presented the report 'Empty Homes Strategy' and advised that:

- He wanted to put on record his thanks to the housing team and to former Councillor Gary Grindal for starting work on this strategy.
- This strategy played a key part in meeting housing needs and it also fed into the housing strategy.
- Empty homes were a wasted resource and became neglected.

- This strategy would address shortages, revitalise communities, stimulate the local economy and promote environmental sustainability.
- The tracked changes version of the report was the correct version and contained an amendment in section 8.6 to the part time post which should be 0.5 FTE and not 0.15 FTE as stated in the original document.
- The strategy sought to interact with homeowners before they reached the 2 year empty home stage, to prevent a property moving to being empty long term.
- The strategy would enable the Council to work with residents to bring empty homes back into use by providing guidance to the owners.
- Once adopted, the strategy would be actively promoted to the community to advise of the intention of the Council to address empty homes.
- The Council would be reliant on the community to report empty homes to enable these to be resolved.
- Long term empty homes would be a challenge due to the physical and political impact they had on the district and the financial restraints placed on local authorities.

In response to a question from Councillor Amy Allen, Councillor Prendergast advised that empty homes were a source of complaints and also impacted on other areas such as environmental health because they were empty and neglected.

Councillor Ruth Brown advised of her experience in Royston of the distress that empty homes brought to neighbours and also the drain they were on resources and thanked former Councillor Gary Grindal for bringing this strategy forward.

Councillor Sean Prendergast proposed and Councillor Ruth Brown seconded and, following a vote, it was:

RESOLVED: That Cabinet:

- (1) Adopted the Empty Homes Strategy 2024-29.
- (2) Noted that although there is no legal requirement for the Council to have an Empty Homes Strategy, there have been several significant Government-focussed documents and papers highlighting their importance, including a House of Commons Briefing Paper stating that each local authority should have such a strategy to help reduce the number of long-term empty homes in their districts.

REASONS FOR DECISIONS:

- (1) The recommendation and considerations are being made to allow the Council to formerly adopt the 5-year Empty Homes Strategy 2024-29 to allow the Environmental Health service to work directly or with others to identify and deliver the most appropriate intervention programme to allow the Council to aim to bring as many long-term empty homes back into occupation as practicable.
- (2) The strategy allows the Council to state its intention to consider every aspect linked to the housing sector to bring into use as many opportunities as it can to meet the district's housing needs, without having to rely solely on new build. Whilst the number of long-term empty homes is small, and the number likely to be brought back into occupation will be smaller still, this strategy does address this sector which would otherwise be omitted from the overall resource potentially available to form our housing stock.
- (3) By adopting the strategy and allowing for the development of a culture of greater awareness of vacant homes, allows for homes which become vacant to be highlighted sooner, and so they can be monitored and their owners challenged at an earlier point, thus also contributing to hopefully having more homes available for the residents of the district.

268 NORTH HERTS DIGITAL STRATEGY

Audio recording – 20 minutes 38 seconds

Councillor Ian Albert, Executive Member for Finance and IT, presented the report entitled 'North Herts Digital Strategy' and advised that:

- The digital systems were being updated for customers to improve their experience of dealing with the Council.
- The new customer relations management (CRM) system was the first stage of a digital local platform for many of the service areas.
- This was not just about improving technology, but it was an opportunity to develop the organisational skills and capabilities of the Council.

Councillor Elizabeth Dennis noted that it was important it for the Council to consider using the appropriate phrasing in all communications when addressing the community, and residents.

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

RESOLVED: That Cabinet:

- (1) Adopted the Digital Strategy (Appendix A).
- (2) Agreed to delegate any minor changes (to include reference to Council priorities) in relation to the Digital Strategy to the Service Director – Customers in consultation with the Executive Member for the Finance and IT.

REASON FOR DECISIONS: To ensure the Council has an approved digital strategy.

269 COUNCIL TAX PREMIUMS FOR EMPTY AND SECOND HOMES

Audio recording – 24 minutes 49 seconds

In the absence of the Chair and Vice Chair of the Overview and Scrutiny Committee, Councillor Ian Albert presented the referral and advised that there had been general discussion around whether this should be undertaken by the Council and around the similar plans of other local authorities.

Councillor Ian Albert, Executive Member for Finance and IT, presented the report entitled 'Council Tax Premiums for Empty and Second Homes' and advised that:

- The paper complemented and provided some tools to support the Empty Homes Strategy.
- There were two separate aspects to consider, empty homes and second homes.
- In 2019 the Council introduced a 100% premium for properties empty for more than 2 years.
- Analysis was carried out in December on the 157 properties which had been empty for over 2 years. 121 properties were paying Council Tax, 7 had no premium applied and 29 were not paying Council Tax regularly.
- The number of empty homes continued to rise and these were a challenge to the district.
- A premium could be avoided if an empty home was furnished as it then became classed as a second home.
- Changes to premiums on empty homes would come into effect from 1 April 2024, but premiums on second homes required a one-year notice applied, so this would not take effect until 2025.

- The impact of the additional premiums was to encourage homeowners to bring empty properties back into use and to revert second homes into primary residences.
- This was a balanced and fair strategy which would complement the Empty Homes Strategy.

The following Members asked questions:

- Councillor Ruth Brown
- Councillor Amy Allen

In response to questions, the Executive Member for Finance and IT advised that it was important to advise homeowners of the increases that would be implemented and to allow transition to change over a period of time.

In response to questions, the Revenues Manager advised that the Council had individual discretion in place which was used on a case-by-case basis and which would be applied in the event of a future pandemic.

Councillor Sean Prendergast advised that he welcomed the document as it both complimented and fed into the Empty Homes Strategy.

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

RECOMMENDED TO COUNCIL: The following changes to the Council Tax premiums on empty and second homes:

- (1) That from 1 April 2024 until 31 March 2025 the following interim premiums are introduced:
 - Properties empty for one year but less than two will not receive a Premium
 - Properties empty for more than two years, but less than five years will receive a 100% Premium.
 - Properties empty for five years but less than ten years a 150% Premium.
 - Properties empty for more than ten years a 200% Premium.
- (2) That from 1 April 2025 the Council adopts the following full Premium levy rates:
 - Properties empty for one year but less than five will receive a 100% Premium.
 - Properties empty for five years but less than ten years a 200% Premium.
 - Properties empty for more than ten years a 300% Premium.
- (3) That from 1 April 2025 a 100% Premium is levied on all properties that are determined as a second home, subject to any exceptions once these have been confirmed by Regulations and that the Service Director – Customers in consultation with the Executive Member for Finance and IT is delegated authority to make any amendments following further confirmation of the Regulations.

REASONS FOR RECOMMENDATIONS:

- (1) To support the principle of bringing unoccupied properties back into occupation in line with the proposed empty homes strategy. At the time of writing there are 43 properties that have been unoccupied for over five years.
- (2) The introduction of a phased approach of increasing the premiums enables us to advertise the changes. As the introduction of premiums for properties unoccupied for between one and two years is new there will be no expectation on the owners of these properties of an additional premium and therefore it is recommended that this aspect is deferred until 2025 to allow time to advertise the change.

- (3) In respect of a premium on Second Homes the Council is required to give one year's notice as this is the Council's first determination in this regard and therefore a resolution must be made before the end of the 2023/24 financial year in order to bring in the premium from 01 April 2025.
- (4) The Council does have the ability to revoke the decision in relation to Second Homes premium, during the year should any consultation that is carried out provide evidence that this would not be effective.

270 REVENUE BUDGET 2024/25

Audio recording – 35 minutes 43 seconds

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 there had been general discussion around:

- The maximum increase in Council Tax of 2.99% and that there had been an increase in core spending of 4%.
- The revenue areas that provided income received by Council, in particular around car parks.
- The provisions that would be required with the new leisure contract coming into force next year and whether the business rate efficiency was still in place.
- General financial risks for finance going beyond this year.

Councillor Elizabeth Dennis, as Chair, advised Members that a letter had been received from the Department for Levelling Up, Housing and Communities (DLUHC) requesting Councils to consider the following four main areas to address budget shortfalls:

- Transformation of services to make better use of resources.
- Opportunities to take advantage of advances in technology and to make better use of data to inform design making.
- Ways to reduce wasteful spend within systems including specific consideration on expenditure on consultants and discredited staff diversity and inclusion programmes.
- Barriers preventing activity the government could help to reduce or remove.

Ahead of presenting the 'Revenue Budget 2024/25' report, Councillor Ian Albert apologised to Members for inadvertently omitting the following recommendation from the 'Second Quarter Investment Strategy (Capital and Treasury) Review 2023-34' and advised that this recommendation would be covered at the meeting of Full Council on 29 February 2024:

- To seek Council approval that the capital allocation for Howard Park Kiosk be brought forward to 2023/24 to allow the work to be completed and the kiosk ready to open for the school Easter holidays.

Councillor Ian Albert, as Executive Member for Finance and IT, presented the report entitled 'Revenue Budget 2024/25' and advised that:

- This year the budget would be balanced using the Business Rate surpluses from previous years to allow the continued delivery of services whilst residents continued to try and recover from the cost of living crisis and may provide time to understand what the future funding from government would be.
- Feedback from the budget workshops held in November had been incorporated into the budget, as well as additional items details in the report.

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- It was necessary to ensure the budget was in line with Council priorities and the Council Plan.
- The Council Delivery Plan for the coming year would be agreed at Cabinet in March.
- In recognising the pressure that the delivery of projects placed on staff proposed an addition to the budget of £100k to support the delivery of key projects over an 18 month period.
- The Council had the capacity to deliver a medium-term balanced budget, but there would be a need to act and make difficult decisions.
- The increase in Council Tax by the maximum allowed would provide the Council with the capacity to deliver the services that the residents of North Herts valued. It was also in line with the Medium Term Financial Strategy and what government would assume when setting funding in future years.
- The Section 25 report of the Chief Finance Officer highlighted risks and assumptions involved when setting the budget and was detailed in Appendix D.
- The recommendation on the minimum general fund balance was set out in paragraph 8.21 of the report.
- As an addition to Table 7 the Council were incurring costs in responding to the examination process for the expansion of Luton Airport. This would be met from the Transport Forum budget that was no longer needed and from some salary underspends.
- Impact on revenue from capital spend was set out in paragraphs 8.24-8.26 of the report which highlighted the need to keep the capital programme under review to reflect current plans.
- There was a slight amendment to the total next expenditure budget figure in recommendation 2.6 to £20,365 million from £20,265 million. This reflected the points raised earlier.
- Considering whether it was possible to respond to the County Council proposing to cut their Councillor locality budgets.

In response to a question from Councillor Elizabeth Dennis, the Managing Director advised that it was not clear yet whether extra resources would be required to comply with the four areas set out in the letter from DLUHC.

The following Members took part in debate:

- Councillor Alistair Willoughby
- Councillor Elizabeth Dennis
- Councillor Amy Allen
- Councillor Steve Jarvis

Points raised in the debate included:

- The finance team had worked incredibly hard under stress of financial pressures to compile a balanced budget which would continue to add value and support across the district.
- It was unclear how the Council would meet the requirements set out in the letter from DLUHC as the Council already provided the services the residents of North Herts valued and deserved and the Council performed as well as it could under financial restraints.

Councillor Elizabeth Dennis, as Chair, wanted to thank and record the hard work and support that the Deputy Executive Members provided to their Executive Members throughout the year, which enabled Executive Members to produce the work that was expected of them.

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

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RESOLVED: That Cabinet approved the decrease in the 2023/24 working budget of £301k, as detailed in table 7.

RECOMMENDED TO COUNCIL:

- (1) To note the position on the Collection Fund and how it will be funded.
- (2) To note the position relating to the General Fund balance and that due to the risks identified a minimum balance of £2.48 million is recommended.
- (3) To note the net revenue savings that are likely to be required in future years, combined with the Chief Finance Officer's section 25 report (Appendix D) which provides a commentary on the risks and reliability of estimates contained in the budget.
- (4) To approve the revenue savings and investments as detailed in Appendix B.
- (5) To approve a net expenditure budget of £20.365m, as detailed in Appendix C.
- (6) To approve a Council Tax increase of 2.99%, which is in line with the provisions in the Medium Term Financial Strategy.

REASON FOR RECOMMENDATIONS: To ensure that all relevant factors are considered in arriving at a budget and Council Tax level for 2024/25. To ensure that the budget is aligned to Council priorities for 2024/25 as set out in the Council Plan.

The meeting closed at 8.32 pm

Chair