

NORTH HERTFORDSHIRE DISTRICT COUNCIL



8 March 2024

Our Ref Cabinet Tuesday, 19 March 2024
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To: Members of the Cabinet:

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

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

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

to be held in the

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

on

TUESDAY, 19TH MARCH, 2024 AT 7.30 PM

Yours sincerely,

Jeanette Thompson
Service Director – Legal and Community

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AGENDAS AND REPORTS VIA THE MOD.GOV APPLICATION
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Agenda **Part I**

Item		Page
1.	APOLOGIES FOR ABSENCE	
2.	MINUTES - 16 JANUARY 2024 AND 6 FEBRUARY 2024 To take as read and approve as a true record the minutes of the meeting of the Committee held on the 16 January 2024 and 6 February 2024.	(Pages 5 - 28)
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.	

Ecological Emergency

The Council has declared an ecological emergency and is committed to addressing the ecological emergency and nature recovery by identifying appropriate areas for habitat restoration and biodiversity net gain whilst ensuring that development limits impact on existing habitats in its process.

The Council has set out to do that by a) setting measurable targets and standards for biodiversity increase, in both species and quantities, seeking to increase community engagement, b) to work with our partners to establish a Local Nature Partnership for Hertfordshire and to develop Nature Recovery Networks and Nature Recovery Strategy for Hertfordshire and c) to investigate new approaches to nature recovery such as habitat banking that deliver biodiversity objectives and provide new investment opportunities.

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. ADOPTION OF A NEW HOUSING STRATEGY (2024-2029) (Pages 29 - 64)

REPORT OF THE SERVICE DIRECTOR – HOUSING AND ENVIRONMENTAL HEALTH

The proposed Housing Strategy (2024-2029) provides a strategic framework for the Council to undertake these functions and succeeds the previous Housing Strategy (2019-2024).

8. EXPANSION OF THE SOFT PLASTICS COLLECTION TRIAL (Pages 65 - 142)

REPORT OF: SHARED SERVICE MANAGER – WASTE MANAGEMENT

This report seeks authority for the expansion of kerbside collections of plastic film and wrapping (soft plastics).

9. SHARED PROSPERITY FUND PROCESS (Pages 143 - 170)

REPORT OF THE SERVICE DIRECTOR – ENTERPRISE

A report to set out the delegated approval (for Executive Members and Service Directors) process for the UK Shared Prosperity Fund allocation.

- 10. STRATEGIC PLANNING MATTERS** (Pages
REPORT OF THE SERVICE DIRECTOR – REGULATORY 171 -
228)
- This report identifies the latest position on key planning and transport issues affecting the District.
- 11. COUNCIL DELIVERY PLAN: Q3 UPDATE AND PROJECTS FOR 2024/25** (Pages
REPORT OF THE SERVICE DIRECTOR – RESOURCES 229 -
266)
- This report presents progress on delivering the Council Delivery Plan for 23-24 at the end of Quarter 3.
- 12. THIRD QUARTER INVESTMENT STRATEGY (CAPITAL AND TREASURY) REVIEW 2023/24** (Pages
REPORT OF THE SERVICE DIRECTOR – RESOURCES 267 -
294)
- To receive an update on progress with delivering the capital and treasury strategy for 2023/24, as at the end of December 2023.
- 13. THIRD QUARTER REVENUE BUDGET MONITORING 2023/24** (Pages
REPORT OF THE SERVICE DIRECTOR - RESOURCES 295 -
306)
- To inform Cabinet of the summary position on revenue income and expenditure forecasts for the financial year 2023/24, as at the end of the third quarter.

Public Document Pack Agenda Item 2

NORTH HERTFORDSHIRE DISTRICT COUNCIL

CABINET

MEETING HELD IN THE COUNCIL CHAMBER, DISTRICT COUNCIL OFFICES, GERON ROAD, LETCHWORTH GARDEN CITY, SG6 3JF
ON TUESDAY, 16TH JANUARY, 2024 AT 7.30 PM

MINUTES

Present: Councillors: Elizabeth Dennis (Chair), (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), Anne Banner (Benefits Manager), Ian Couper (Service Director - Resources), Christine Crofts (Communications Manager), Susan Le Dain (Committee, Member and Scrutiny Officer), Jo Doggett (Service Director - Housing & Environmental Health), Jo Dufficy (Service Director - Customers), Ian Fullstone (Service Director - Regulatory), Geraldine Goodwin (Revenues Manager), Sarah Kingsley (Service Director - Place), Anthony Roche (Managing Director), Mark Scanes (Systems and Technical Manager), Clare Skeels (Senior Planning Officer), Nigel Smith (Strategic Planning Manager) and Sjanet Wickenden (Committee, Member and Scrutiny Officer).

Also Present: Councillor Ian Mantle, Councillor David Levett, Councillor Val Bryant and Councillor Sean Nolan.

There was one member of the press in attendance.

243 APOLOGIES FOR ABSENCE

Audio recording – 3 minutes 48 seconds

Apologies for absence were received from Councillor Ruth Brown.

244 MINUTES - 14 NOVEMBER 2023 AND 12 DECEMBER 2023

Audio Recording – 4 minutes 15 seconds

Councillor Elizabeth Dennis, as Chair, proposed and Councillor Keith Hoskins seconded and, following a vote, it was:

RESOLVED: That the Minutes of the Meetings of the Committee held on 14 November 2023 and 12 December 2023 be approved as a true record of the proceedings and be signed by the Chair.

245 NOTIFICATION OF OTHER BUSINESS

Audio recording – 5 minutes 7 seconds

There was no other business notified.

246 CHAIR'S ANNOUNCEMENTS

Audio recording – 5 minutes 14 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 are serious decisions, and mean that, as this was an emergency, all of us, Officers and Members had that in mind as we carried out our various roles and tasks for the benefit of our District.
- (3) The Chair drew attention to the item on the agenda front pages regarding Declarations of Interest and reminded Members that, in line with the Code of Conduct, any Declarations of Interest needed to be declared immediately prior to the item in question.
- (4) The Chair advised for the purposes of clarification that 4.8.23(a) of the Constitution did not apply to this meeting.
- (5) The Chair advised the change in order of the agenda and Agenda items 17 and 18 would be taken following item 10.

247 PUBLIC PARTICIPATION

Audio recording – 7 minutes 18 seconds

There was no public participation.

248 ITEMS REFERRED FROM OTHER COMMITTEES

Audio recording – 7 minutes 25 seconds

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

249 MARKETING AND COMMUNICATIONS STRATEGY 2024-2028

Audio recording – 7 minutes 49 seconds

The Chair invited Councillor Val Bryant, as Vice Chair of Overview and Scrutiny Committee to present the referral on this item. Councillor Bryant advised that:

- It was important for councils to communicate effectively with their residents to build confidence and strengthen relationships with residents.
- Marketing was essential to promote and raise awareness of the vision, priorities and themes of the Council.

The Leader of the Council, Elizabeth Dennis, presented the report entitled 'Marketing and Communications Strategy 2024-28' and advised that:

- The Council must consider the best way to communicate effectively with the community, its partners and stakeholders.
- A marketing-based approach to communications was needed to assist in delivering those messages more effectively.
- Data analysis had shown that where communications teams were involved at the start of a project, there was an 82% success rate and 15% if communications were not involved at all.

- Communication was the responsibility of everyone who worked at the Council or in the local community.
- This Council considered the impact on the environment in every piece its work. With regard to the environmental impact marketing and communications at the Council, the only item printed was the Outlook magazine, which was published twice a year. Items were printed by North Herts Museum and Hitchin Town Hall.
- The communications team worked on a hybrid basis, therefore keeping their carbon footprint down and helping to promote climate initiatives across the district with a view to everyone working towards a more sustainable future.

Councillor Elizabeth Dennis proposed and Councillor Alistair Willoughby seconded and, following a vote, it was:

RESOLVED: That Cabinet approved the 2024 - 2028 Marketing and Communications Strategy.

REASONS FOR DECISION:

- (1) With residents facing a cost-of-living crisis and council budgets being tightened further, it has never been more important for councils to communicate effectively with their audiences.
- (2) Effective communication is critical as it has the power to engage communities, challenge misconceptions, build trust and confidence in the council and through that, strengthen relationships with residents, stakeholders, and staff.
- (3) Although communications help to tell the story of North Herts Council (and improve resident perceptions of the council), marketing is needed to promote and raise awareness of our vision, priorities, and themes, to ensure that the right people, get the right message, at the right time through their preferred channel of choice.
- (4) It is therefore recommended, that the 2024 - 2028 strategy is a Marketing and Communications Strategy.

250 COMMUNITY SURVEY RESULTS (MARCH - JUNE 2023)

Audio recording – 18 minutes 37 seconds

The Chair invited Councillor Val Bryant, as Vice Chair of Overview and Scrutiny Committee, to present the referral on this item. Councillor Bryant advised that the key findings of the survey detailed in section 8.5 detailed how the first digital survey results compared to the phone survey results.

The Chair advised that Councillor David Levett had submitted a question to the Cabinet, in with the Constitution. The Chair invited Councillor Levett to ask his question and to add any further comments he wanted to make to the referral from Overview and Scrutiny Committee.

Councillor Levett asked, 'Does the Leader of the Council have any concerns with the results of the Community Survey?' and provided further comments for Members, including that:

- There was a dramatic change to the results of the last survey in 2022 which either highlighted that the services had deteriorated in short space of time, or that the methodology used in the survey had changed.
- The number of respondents shown in the digital survey was 715, but this was usually 1000 responses from a telephone survey and therefore this survey did not have a larger response than the 2022 survey.
- These results would have a negative impact on the reputation of the Council.

- Therefore, future survey results should still be brought back to Cabinet and monitored if they were changing so dramatically, rather than only being published on the website.

The Chair thanked Councillor Levett and agreed that there was a need to understand why there had been such a difference in the results and to also understand what methodology had been used to obtain them.

The Communications Manager advised that:

- This survey had been carried out by Zencity who were clear that quality data, which is representative of our district makeup, was much more valuable than quantity. .
- Zencity had obtained their results from targeting a representative sample of the district which matched the population census data.
- The representative responses collected by Zencity equated to the 715 respondents.
- The Council had reached 1075 residents through its own channels, but this data was not representative, so only included the open-ended question results.

The following Members asked questions:

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

In response to questions, the Communications Manager advised:

- Zencity had used the population of census data variables to adjust the weighting of responses to ensure that the sample distribution aligned with the population of North Herts.
- Rake weighting had enabled Zencity to ensure they had a true sample of the North Herts population of the district.

The Leader of the Council, Councillor Elizabeth Dennis advised:

- The Council needed more detail on how the survey was carried out and the methodology behind it.
- A further recommendation should be added to Section 8.5.4 to ensure that Cabinet continued to oversee all future survey results.
- All Councillors were influencers and should consider their own impact on resident views of North Herts Council.
- Action plans were being developed across the directorate which should be made visible so that it was made clear to residents that the Council had listened and were taking action.
- The Cabinet were concerned about the results of the survey, and they would be acting on this.

Councillor Elizabeth Dennis proposed the motion, as amended, and Councillor Amy Allen seconded and, following a vote, it was:

RESOLVED: That Cabinet:

- (1) Commented on and noted the key findings and observations from round one of the Community Survey and comment on the approach to future surveys (as detailed in section 8.5).
- (2) Supported the suggested approach set out at 8.5, save for 8.5.4 whereby Cabinet would encourage future survey results and associated action plans, being brought to Cabinet.

REASON FOR DECISIONS: To ensure that Cabinet is aware of the results of the Community Survey (our first digital residents' survey) and how they compare to the Local Government Association (LGA) June 23 Resident Satisfaction phone survey results.

251 LOCAL PLAN REVIEW

Audio Recording – 57 minutes 13 seconds

The Chair invited Councillor Val Bryant, as Vice Chair of Overview and Scrutiny Committee, to present the referral on this item. Councillor Bryant advised that:

- The results of the review were set out in Appendix A and Appendix B.
- The recommendation was that a full review of the Local Plan was undertaken.
- Work should commence in 2024/25 to update the technical studies required to update the Local Plan.

Councillor Ian Mantle, Deputy Executive Member for Planning and Transport, presented the report entitled 'Local Plan Review' and advised that:

- The district Local Plan even though recently adopted, was effectively ten years out of date.
- A full review needed to be undertaken to take account of the changes in both council policy and in the national framework.
- This review should commence as soon as practicable, but it should not be rushed to meet any deadlines.

Councillor Elizabeth Dennis proposed and Councillor Steve Jarvis seconded and, following a vote, it was:

RESOLVED:

- (1) That Cabinet noted the results of the review of the policies of the NHLP set out in Appendix A and the PAS toolkit in Appendix B.
- (2) That Cabinet agreed that a full review and update of the NHLP is undertaken.
- (3) That work commenced during 2024/25 on updating the technical studies needed to provide a robust evidence base to inform an update of the Local Plan and early community engagement take place.
- (4) That a further report on the detailed scope of the update and the timetable for its preparation, submission and examination was prepared at the earliest opportunity once the implications of the new National Planning Policy Framework (NPPF) are better understood and the statutory framework required to implement the reforms has been approved.

REASON FOR DECISIONS: To ensure that North Herts Council fulfils its commitments as set out in Policy IMR2 of the North Herts Local Plan which requires the Council to undertake a whole plan review by the end of 2023 to determine whether the plan needs to be updated either in whole or in part.

252 STRATEGIC PLANNING MATTERS

Audio recording – 1 hour 2 minutes 48 seconds

The Deputy Executive Member for Planning and Transport presented the report entitled 'Strategic Planning Matters' alongside supplementary documents and advised that the Service

Director – Regulatory and the Strategic Planning Manager were in attendance if Members had any questions.

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

RESOLVED: That the report on strategic planning matters was noted.

REASON FOR DECISION: To keep Cabinet informed of recent developments on strategic planning matters.

253 Q2 UPDATE ON PROGRESS AGAINST THE COUNCIL DELIVERY PLAN

Audio recording – 1 hour 13 minutes 15 seconds

The Chair invited Councillor Val Bryant, as Vice Chair of Overview and Scrutiny Committee to present the referral on this item. Councillor Bryant advised that:

- Details of changes to milestones, performance indicators and risks were set out in Appendix A of the Council Delivery Plan.
- The monitoring of reports provided an opportunity to monitor progress against the key Council projects and to understand any new issues, risks, or opportunities.

Councillor Ian Albert, Executive Member for Finance and IT, presented the report entitled 'Q2 Update on progress against the Council Delivery Plan' and advised that:

- This plan related to ongoing Council projects.
- An update on the Local Authority Housing Fund project. The three phase one properties had been completed and were now occupied and the Memorandum of Understanding had been signed. For phase two Home Group would not be able to deliver their allocation and settle could not deliver any further units. The Council had asked government to reduce the phase two allocation and targets.
- The outcome of the public sector decarbonisation fund application was not yet known.
- Detailed progress against each project was shown in Appendix A.
- A tool had been developed to help prioritise projects and was detailed in Appendix B.

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

RESOLVED: That Cabinet noted the progress against Council projects as set out in the Council Delivery Plan (Appendix A) and approved changes to milestones, performance indicators and risks.

REASON FOR DECISION: 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.

254 SECOND QUARTER REVENUE BUDGET MONITORING 2023/24

Audio recording – 1 hour 17 minutes 17 seconds

The Chair invited Councillor Sean Nolan, as Chair of Finance, Audit and Risk Committee, to present the referral on this item. Councillor Nolan advised that the main focus of questions was around the shortfalls in staffing and what proactive steps were being taken.

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

- The underspend figure of £430k in the bottom line of table 3 which showed the forecast return was incorrect and it should be amended to £475k.
- The main budget variances were highlighted in table 3 which related to investment income.
- The ongoing impact of waste and car parking would be incorporated into the budget going forward.

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

RESOLVED: That Cabinet:

- (1) Noted this report.
- (2) Approved the adjustments to the 2023/24 General Fund budget, as identified in table 3 and paragraph 8.2, a £475k decrease in net expenditure.
- (3) Noted the changes to the 2024/25 General Fund budget, as identified in table 3 and paragraph 8.2, a total £799k increase in net expenditure. These will be incorporated in the draft revenue budget for 2024/25.

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.

255 SECOND QUARTER INVESTMENT STRATEGY (CAPITAL AND TREASURY) REVIEW 2023/24

Audio recording 1 hour 21 minutes 55 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 the committee had raised a few items with increased costs, which included that:

- Options were still being sought for museum storage at Burymead, which was currently on hold.
- There were some concerns regarding the associated costs with the John Barker Place development and the impact of the contractor going into administration.
- There has been reduced costs of resurfacing of carparks, which was due to the better than expected conditions of the existing surfaces.
- Delays may mean that schemes would cost more due to inflation, but this would be partly off-set by increased returns from investing the money in the interim period.

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

- This report detailed the reasons for the increase in investment income.
- Details of how the Council had complied with the Investment Strategy treasury and prudential indicators were detailed in the report and at Appendix B.
- The Local Authority Housing Fund allocation was fully funded by the grant and was to be referred to Council to confirm that it is in the capital programme as the amount is large, but the majority of the risk had been assumed by settle.
- Approval was sought for the replacement of CCTV cameras.

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

RESOLVED: That Cabinet

- (1) Noted the forecast expenditure of £8.225M in 2023/24 on the capital programme, paragraph 8.3 refers.
- (2) Approved the adjustments to the capital programme as a result of the revised timetable of schemes detailed in table 2, increasing the overall estimated spend in 2024/25 and beyond by £3.898M.
- (3) 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) Approved the additional 40K spend on CCTV Replacement, as detailed in table 3.

REASON FOR DECISION: Cabinet is required to approve adjustments to the capital programme and ensure the capital programme is fully funded.

RECOMMENDED TO COUNCIL:

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

REASON FOR RECOMMENDATION: 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.

256 MID YEAR UPDATE ON RISK MANAGEMENT GOVERNANCE

Audio recording – 1 hour 26 minutes 23 seconds

The Chair invited Councillor Sean Nolan, as Chair of Finance, Audit and Risk Committee to present the referral on this item. Councillor Nolan advised that there had been discussion about risk management to try and understand the reviews and the process that projects go through to be assigned a level of risk awarded by officers.

Councillor Ian Albert, Executive Member for Finance and IT, presented the report entitled 'Mid Year Update on Risk Management Governance' and advised that:

- This report commented on the strategy and application of strategy for risk management.
- The report demonstrated the risk reviews that were currently taking place and as the risk register was a live document, there would be changes to risk scores.
- New and emerging risk was covered in Section 8.5.
- Items with a corporate risk score of 4.2 or above were detailed in Section 8.6.
- Training could be provided to assist Cabinet to develop their knowledge further regarding risk management.

Councillor Elizabeth Dennis, as Chair, asked the Service Director – Resources to provide details of what risk management training had been provided in the past to Members and that could then be discussed by Members so they could make an informed choice.

In a response to a question from Councillor Steve Jarvis, the Service Director – Resources advised that there would always be a gap between the risk review date and when they were reported to Cabinet. That gap was longer this time as the Finance, Audit and Risk Committee meeting took place prior to Christmas.

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

RESOLVED: That Cabinet:

- (1) Noted the mid-year Risk Management Governance update, including the update on completion of audit recommendations.
- (2) Commented on the type of Risk Management training they would like to receive going forward.
- (3) Noted the review of the Performance and Risk Management Group Terms of Reference.

REASONS FOR DECISIONS:

- (1) The responsibility for ensuring the management of risks is that of Cabinet.
- (2) This Committee has responsibility to monitor the effective development and operation of Risk Management.

257 DRAFT BUDGET 2024/25

Audio recording – 1 hour 33 minutes 26 seconds

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

- There had been questions and discussions about the pressures faced by the Council and to try to look at what choices there might be in the future.
- They had studied trading between spending and investment and the retaining of reserves for investment purposes.
- They had looked at which revenue streams were successful and which were a risk to the financial position of the Council.

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

- This was the first budget report following agreement of the Medium Term Financial Strategy (MTFS).
- An update to forecast funding was provided at the beginning of the report.
- The draft local government settlement provided inadequate funding which combined with the delay to the funding formula, put pressure on the Council.
- Council Tax would need to be raised by the maximum amount allowed to try to protect and, where the Council could, improve services to residents of North Herts.
- General fund reserves were in a good state which allowed time for a longer-term view of how to balance the budget by the end of the MTFS period.
- Additional proposals with short term impacts on the budget were highlighted in paragraph 8.10.
- Some updates, mainly affecting capital, that Officers would update in the next version of the budget report.
- Reflect the additional income from the award of the new leisure contract.

- The capital allocation for waste vehicles aligned to the start of the new waste contract to be increased to £8.5 million.
- Funding for the new graduate post for a 2 year period to support delivery capacity.
- Capital allocation for the new learner pool at Royston, would be subject to a viable business case.
- Capital funding for the new leisure provider to invest in the leisure centres, which would generate returns through improved contract payments.
- The outcome of the bid for a public sector decarbonisation bid for the leisure centres was not yet known.
- The Council was required to provide match funding which was estimated at about £3 million. Some of this match funding was already in the capital programme, and the proposal was for the remaining allocation to be added. An off-setting revenue saving would also be added.
- The proposal would not only cover its costs but would provide environmental benefits.
- The next version of the budget would include a review of budget forecasts and would include the treasury income forecast.
- This was a prudent, pragmatic and sensible budget to ensure the Council could continue to deliver the services that the residents of North Herts value.

In a response to a question from Councillor Elizabeth Dennis, the Service Director – Resources advised that only about 12% of Council Tax income was retained by the Council.

In a response to a question from Councillor Alistair Willoughby, Councillor Ian Albert advised that as residents value the services the Council supplies, the correct way forward was to increase Council Tax otherwise significant cuts would have to be made.

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

RESOLVED: That Cabinet:

- (1) Noted the latest funding forecasts for 2024/25 onwards and the significant uncertainty that still remains.
- (2) Confirmed that it will be necessary to increase Council Tax by the maximum amount allowed without a local referendum, as this is what will be assumed by Government in determining the Business Rates that the Council can retain and calculating the Council's Core Spending Power.
- (3) Noted the comments made at the budget workshops, and comment on the inclusion of the revenue savings and investments in the budget to be brought back for consideration in February, for referral on to Council at the end of February.
- (4) Considered the additional revenue investment proposals that are detailed in paragraph 8.8 and confirm that they should be included in the February budget report.
- (5) Noted the comments made at the budget workshops, and comment on the inclusion of the capital investments in the Investment Strategy to be brought back for consideration in February, for referral on to Council at the end of February.

REASON FOR DECISIONS: To ensure that all relevant factors are considered in arriving at a proposed budget, Investment Strategy and Council Tax level for 2024/25, to be considered by Full Council on 29 February 2024.

258 COUNCIL TAX REDUCTION SCHEME 2024/2025

Audio recording – 1 hour 53 minutes 9 seconds

The Executive Member for Finance and IT, Councillor Ian Albert, presented the report entitled 'Council Tax Reduction Scheme 2024/25' and advised that:

- The aim of the new scheme was to provide significant help to the residents in North Herts who were in most need.
- This new scheme, in the first year, had cost more than was forecast and details of the additional costs were detailed in section 10 of the report, which was approximately £125k.
- The Discretionary Exceptional Hardship Scheme, previously agreed to provide additional transitional support, had been underspent. The surplus of this would be used to off-set the impact on the District Council in relation to the main scheme.
- A further review would take place ahead of consideration of the scheme in 2025/26 to seek to reduce these additional costs.
- The recommendation for 2024/25 to make no changes to the scheme was to allow time to provide the help that was needed and to collect 18 months of data before considering further amendments.
- In November and December 2023, a light touch consultation was carried out with Herts County Council, Police and Crime Commissioner and residents via the Council website.
- The Council acknowledged the Royal British Legion campaign for war veterans and confirmed that it already supported war veterans and was aligned to the aims of the RBL campaign.
- Herts County Council were proposing to provide council tax support to care leavers across the district up to the age of 21, which would be funded by the County Council. Details of this proposal were still being considered.

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

RESOLVED: That Cabinet:

- (1) Noted that the new scheme has had a greater financial impact than expected, and any resultant Collection Fund shortfall will be split between the Council and its Major Precepting Authorities. The Councils share will be around 12.5%.
- (2) Noted that the Discretionary Exceptional Hardship Scheme, previously agreed to provide additional transitional support, has been underspent, largely due to the positive impacts of the main scheme. (The surplus of this will be used to off-set the impact on the District Council in relation to the main scheme).
- (3) Noted a further review is being undertaken during 2024/2025, to ascertain any further changes to be considered for the scheme in 2025/2026.

RECOMMENDED TO COUNCIL:

- (1) That the new banded scheme for working age applicants remains unchanged for 2024/25.

REASON FOR RECOMMENDATION: To ensure that the Council has a Council Tax Reduction Scheme that continues to:

- Provide the greatest support to the lowest income households.
- Reduce the administrative burden that has been placed on the Council since the introduction of Universal Credit (UC).

- Be simple to understand, meaning that customers will be able to calculate entitlement and assess the impact of potential changes in circumstance.

259 ICKLEFORD NEIGHBOURHOOD PLAN

Audio recording – 1 hour 4 minutes 6 seconds

The Deputy Executive Member for Planning and Transport presented the report entitled 'Ickleford Neighbourhood Plan' and advised that the plan required approval for a referendum to take place.

Councillor Alistair Willoughby proposed and Councillor Keith Hoskins seconded and, following a vote, it was:

RESOLVED:

- (1) That the Examiner's report for the Ickleford Neighbourhood Plan was noted.
- (2) That following the inclusion of the Examiner's proposed modifications to the Ickleford Neighbourhood Plan, as set out in Appendix A, the Ickleford Neighbourhood Plan was approved and it was approved to proceed to a referendum.
- (3) That the Counting Officer was instructed to conduct a referendum on the Ickleford Neighbourhood Plan.
- (4) That the decision to "make" the Ickleford Neighbourhood Plan would be delegated to the Service Director – Regulatory in consultation with the Executive Member for Planning and Transport, as previously agreed by Cabinet in July 2018 (Minute 21).

REASON FOR DECISIONS: To progress the Ickleford Neighbourhood Plan, enable a referendum to take place and if more than 50% of those voting in favour of the Ickleford Neighbourhood Plan to "make" the Ickleford Neighbourhood Plan.

260 WALLINGTON NEIGHBOURHOOD PLAN

Audio recording – 1 hour 5 minutes 26 seconds

The Deputy Executive Member for Planning and Transport presented the report entitled 'Wallington Neighbourhood Plan' and advised that the plan required approval for a referendum to take place.

Councillor Steve Jarvis proposed and Councillor Alistair Willoughby seconded and, following a vote, it was:

RESOLVED:

- (1) That the Examiner's report for the Wallington Neighbourhood Plan was noted.
- (2) That following the inclusion of the Examiner's proposed modifications to the Wallington Neighbourhood Plan, as set out in Appendix A, the Wallington Neighbourhood Plan was approved and it was approved to proceed to a referendum.
- (3) That the Counting Officer was instructed to conduct a referendum on the Wallington Neighbourhood Plan.

Tuesday, 16th January, 2024

- (4) That the decision to “make” the Wallington Neighbourhood Plan be delegated to the Service Director – Regulatory in consultation with the Executive Member for Planning and Transport, as previously agreed by Cabinet in July 2018 (Minute 21).

REASON FOR DECISIONS: To progress the Wallington Neighbourhood Plan, enable a referendum to take place and if more than 50% of those voting in favour of the Wallington Neighbourhood Plan to “make” the Wallington Neighbourhood Plan.

The meeting closed at 9.32 pm

Chair

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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 Tiran 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.

- 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:

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

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CABINET
19 March 2024

PART 1 – PUBLIC DOCUMENT

ADOPTION OF A NEW HOUSING STRATEGY (2024-2029)

REPORT OF SERVICE DIRECTOR – HOUSING AND ENVIRONMENTAL HEALTH

EXECUTIVE MEMBER: COUNCILLOR SEAN PRENDERGAST

COUNCIL PRIORITY: PEOPLE FIRST

1. EXECUTIVE SUMMARY

- 1.1. As the local housing authority, the Council has statutory responsibilities to consider the housing needs of the district, to oversee and enforce housing standards and to prevent and manage homelessness.
- 1.2. The proposed Housing Strategy (2024-2029) provides a strategic framework for the Council to undertake these functions and succeeds the previous Housing Strategy (2019-2024).
- 1.3. A new Homelessness and Rough Sleeping Strategy for the district is also incorporated within the proposed Housing Strategy.

2. RECOMMENDATIONS

- 2.1. That Cabinet approves the adoption of the Council's Housing Strategy (2024-2029).
- 2.2. That Cabinet delegates 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 Strategy.
- 2.3. That Cabinet delegates to the Director of Housing and Environmental Health in conjunction with the Executive Member for Housing and Environmental Health, the power to agree an annual action plan which will set out the specific actions to be undertaken to implement the Housing Strategy.
- 2.4. For matters that are not reserved for Cabinet, the Cabinet delegates to the Director of Housing and Environmental Health in conjunction with the Executive Member for Housing and Environmental Health, the power to decide on the specific allocation of homelessness funding received from central government in order to meet homelessness priorities, for the duration of the Strategy.

3. REASONS FOR RECOMMENDATIONS

- 3.1. The current Housing Strategy is coming to the end of its life. The proposed new Strategy will enable the Council to continue to undertake its strategic housing responsibilities over the next five years in a planned, transparent and inclusive manner.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 None. The current Housing Strategy was approved by Cabinet at its meeting on 26th March 2019 and it is now timely to update it.

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.
- 5.2 Public consultation took place over four weeks at the start of 2024, publicised via the Council's websites and social media platforms. Partners and stakeholders including local housing providers, other statutory bodies (including Hertfordshire County Council, health services and the police) and members of the Stevenage and North Herts Homeless Forum were also contacted separately. In total, over 450 completed responses were received with a majority in favour of the priorities proposed in the new Housing Strategy and many useful additional comments received. Appendix 1 summarises responses received.
- 5.3 All members were invited to an in-person briefing on the draft Strategy on 18 December 2023 with the presentation slides being circulated shortly after, inviting further comments.

6. FORWARD PLAN

- 6.1 This report contains a recommendation on a Key Decision that was first notified to the public in the Forward Plan on 15th December 2023.

7. BACKGROUND

- 7.1. As the local housing authority, the Council has statutory functions to consider both housing conditions and housing needs in the district, with a responsibility to keep both under review (Housing Acts 2004 and 1985 refer respectively).
- 7.2. The Council also has specific duties with regards to the prevention, reduction and management of homelessness, as set out in the Housing Act 1996 (as amended) and Homelessness Reduction Act 2017.
- 7.3. The Housing Strategy provides a framework for these statutory functions, establishing high level objectives and identifying broad priorities within these. The proposed Housing Strategy is purposefully high level, in order that we can respond quickly to changes in legislation and shifting national and local issues as they develop. There are for instance forthcoming changes to the regulation of supported housing, the detail of which has yet to be confirmed by central government, and which are likely to have implications for the Council (as well as at county council level). There are also ongoing moves to reform the private rented sector and new regulations under way following the

government's review of the Decent Homes Standard. The detail of how the high-level priorities identified in the proposed Housing Strategy will be delivered will be set out in an annual action plan, which will also be able to capture new areas of work as they emerge.

- 7.4. Much of the delivery of the Strategy is dependent upon close working relationships with our partners including local housing providers, other statutory bodies such as health and social services, and the voluntary sector. Our partners have been consulted in the development of the proposed new Housing Strategy and we have multiple frameworks in place with them through which progress can be communicated, monitored, and reviewed.

8. RELEVANT CONSIDERATIONS

- 8.1 The current Housing Strategy has to a large extent been overshadowed by the immense and immediate demands of the Covid-19 pandemic which included requirements to accommodate large numbers of people at risk of rough sleeping and enforcement and management of Covid-19 restrictions district-wide. The aftermath of the pandemic has been accompanied by a cost-of-living crisis, growth in demand from people with multiple and complex needs and increasingly challenging interactions with local housing providers whose priorities do not always align with ours.
- 8.2 In light of these demands, some new and others ongoing, the proposed Housing Strategy (see Appendix 2 for the full text) sets out three main areas of focus for the coming five years:
- maximising delivery of genuinely affordable homes;
 - ensuring high standards of housing; and
 - preventing and managing homelessness.
- 8.3 A number of high-level priorities are identified within these areas, providing a robust response whilst being mindful of the ongoing challenges around local government finance.
- 8.4 We received a good response to our public consultation (see Appendix 1) which was overwhelmingly supportive of our proposed Strategy. Many views and comments were additionally submitted which reinforced our proposed approach, and we have taken on board other comments in this final version of the proposed Strategy and/or will do so in the accompanying action plan.
- 8.5 Maximising delivery of genuinely affordable homes remains fundamental to meeting the housing needs of the district. There is a significant need for new homes (both affordable and market) as evidenced in the Council's Local Plan 2011-2031, which will be a primary means of delivery. The proposed Strategy also recognises the need to ensure that the district's existing supply of homes is used as effectively as possible, including bringing empty properties back into use (the Council's Empty Homes Strategy was adopted at [Cabinet](#) on 6 February 2024). The public consultation also highlighted under-occupation of family sized accommodation as an area of concern, and this has now been included in the proposed Strategy as an issue for review.
- 8.6 The proposed Strategy's focus on maintaining high standards of housing recognises the pivotal role that access to good quality housing has on residents' health and overall wellbeing. As well as continuing to undertake our statutory functions, we recognise the need to consider how best to publicise advice and support services available, a

theme which also emerged from the public consultation. We also hope over the coming years to further develop our working relationships with relevant bodies working in the health arena to improve access to services and potential funding streams.

- 8.7 As a result of recent tragic occurrences in the domestic rented sector, the Council is developing a Tenants' Charter. Aimed primarily at tenants, this document will state the rights and responsibilities of all those associated with this sector and will empower tenants, who as long as they fulfil their statutory undertakings, will know how to better access the regulators linked to this sector, will have better knowledge of what standards they should accept, and know also that their landlords, private or social, will also know this, and so cannot hide behind unreasonable delays or avoidance. A key point of the Coroner's report into the death of Awaab Ishak was the lack of clarity between who held responsibility for the condition of the property; the Charter will start to address this, and help towards publicising the objectives of this strategy.
- 8.8 Over time, our housing stock will naturally deteriorate. It remains the responsibility of the owner to mitigate that disrepair as much as possible, either for their own benefit, or, if the property is rented, for the benefit of a tenant. The Tenants' Charter aims to better inform all those in the sector of their rights and obligations regarding the condition of the property, but the Council is also one of a number of regulators whose role it is to ensure the minimum legal and safety standards are maintained. In recent years, the Government has worked to develop specific first tier judicial public bodies, such as the [Housing Ombudsman](#) whose role it is to investigate complaints and resolve disputes involving tenants and landlords who are part of the scheme. Whilst this is the now preferred means to tackle these issues, the Council's Environmental Health service also has a responsibility to investigate housing defects and they too will work to address defects, including via enforcement, should the need arise.
- 8.9 The prevention and management of homelessness is a key aspect of the proposed Housing Strategy, providing a framework for the Council to meet its legal duties around homelessness. This section of the Strategy comprises our Homelessness and Rough Sleeping Strategy, which has been informed by a separate review of homelessness in the district (for which views from the Stevenage and North Herts Homeless Forum and the Department for Levelling Up, Housing and Communities were sought). The review highlights the ongoing impact of a shortage of affordable accommodation options in the district, as well as new challenges from increasing demand from people with multiple disadvantages and those fleeing domestic abuse and other violence. Recent workshops held with advisors from the Department for Levelling Up, Housing and Communities (DLUHC) have highlighted prevention as a key area of work, alongside improving the provision of good quality accommodation and support.

9. LEGAL IMPLICATIONS

- 9.1. 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"*.
- 9.2. The Housing Act 1985 Section 1(1) confirms that the District Council is the Local Housing Authority (LHA).
- 9.3. Section 1 of the Homelessness Act 2002 outlines the duty of LHAs to formulate a homelessness and Rough Sleeping review and strategy. Section 1(1)(a) and (b) note that a local authority may from time to time carry out a homelessness review for their district and formulate and publish a homelessness strategy based on the results of that review. Section 1(4) notes that a new homelessness strategy shall be published within

the period of 5 years beginning with the day on which their last homelessness strategy was published.

- 9.4. The Housing Act 1985 Section 8(1) specifies that LHAs shall consider housing conditions in their district and the needs of the district with respect to the provision of further housing accommodation.
- 9.5. The Housing Act 2004 Section 3(1) specifies that a LHA must keep the housing conditions in their area under review.
- 9.6. The Homelessness Reduction Act 2017 places a legal obligation upon local authorities to prevent or relieve homelessness. However, its aims to reduce, prevent and relieve homelessness will be undermined without improvements to wider housing and welfare policy, to address both the causes of homelessness and to ensure that homeless households have access to settled, affordable and suitable housing in each local authority area.
- 9.7. 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 LHAs. These include duties to prevent and relieve homelessness as well as accommodation duties for certain priority groups, including an interim (or emergency) accommodation duty.

10. FINANCIAL IMPLICATIONS

- 10.1 The Council receives ring-fenced Homelessness Prevention Grant (HPG) funding from the Department for Levelling Up, Housing and Communities (DLUHC) to deliver services to prevent and tackle homelessness. This is usually an annual allocation, but most recently, DLUHC has provided councils with a two-year allocation, for 2023/24–2024/25. The Council received total HPG funding of £746k plus an additional £71k for domestic abuse duties, with [Cabinet](#) approving the allocation of the majority of this funding at its meeting on 27 June 2023, for key services central to our Homelessness and Rough Sleeping Strategy.
- 10.2 As part of the programme to allow residents to live better for longer in their own homes, the Council works to deliver and signpost grant funding. It has been recognised for many years that as we age, our housing needs change, and whilst alternative accommodation may ultimately be required, initially, many homes can be adapted or improved to make them more appropriate for the occupant. Disabled Facilities Grants offer assistance to those who for medical or physical reasons need help continuing to live in their homes, Housing Repairs Assistance Grants assist in the funding to address minor issues of concern whilst the various Eco Grants are aimed at helping to make homes more energy efficient. All of these grants are limited, targeted and means-tested, meaning that as a result, within the district, demand has regularly exceeded supply. Due to this, the Council will continue to work with its partner agencies to continue to make this money deliver as great a benefit as possible, whilst seeking to increase the funding to allow more of our residents to be assisted.

11. RISK IMPLICATIONS

- 11.1 There is a risk of the Council being legally and reputationally challenged if it does not comply with the requirement to publish a Homelessness and Rough Sleeping Strategy.

- 11.2 Although highly unlikely, there is no guarantee that further Homelessness Prevention Grant funding will be provided, for 2025/26 and onwards, or what the scale of such funding would be.

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. A high-level Equality Impact Assessment has been undertaken and is included at Appendix 3. The requirement for more detailed assessments will be considered in advance of the implementation of any specific policies.

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 None.

16. APPENDICES

- 16.1 Appendix 1: Consultation on the Housing Strategy 2024 - 2029 – Summary of responses
- 16.2 Appendix 2: Proposed Housing Strategy (2024-2029)
- 16.3 Appendix 3: Equalities Impact Assessment

17. CONTACT OFFICERS

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18. BACKGROUND PAPERS

18.1 [Review of homelessness](#) in North Hertfordshire.

Appendix 1: Consultation on the Housing Strategy 2024 - 2029 Summary of responses

1. Overview

- 1.1 Consultation on proposed changes to the Council's new Housing Strategy took place over the period 12 January to 11 February 2024 via an online survey. The consultation was advertised widely across Council social media platforms and website. Key stakeholders were also contacted, including registered providers with stock in the district, other Herts local authorities, Herts County Council, DLUHC, statutory services (including health, police etc) and members of the Stevenage & North Herts Homeless Forum. In total, we received 467 completed returns as summarised in table 1.

Table 1. Profile of respondents

	No.	%
Resident of North Herts	434	93%
Resident elsewhere	9	2%
In a professional capacity	16	3%
Preferred not to say	8	2%
Total responses	467	100%

- 1.2 Respondents were asked to indicate whether they agreed or not with each of the 12 headline priorities proposed in the new Housing Strategy. Respondents also had the opportunity to provide further comment against each priority. Table 2 summarises responses against each priority.

Table 2. Summary of responses to proposed changes

Proposed new priorities	Agree	Disagree	Additional comments received
Maximise delivery of genuinely affordable homes			
Maximise delivery of new affordable housing to meet local needs	88%	12%	168
Wherever possible, seek to champion the delivery of social rented homes	84%	16%	112
Work with local communities and partners to identify housing needs in rural areas and bring forward new affordable housing in line with this	88%	12%	119
Ensure affordable housing is allocated to those in most need	89%	11%	98

Proposed new priorities	Agree	Disagree	Additional comments received
Ensuring high standards of housing			
Help residents to remain in their homes for longer	91%	9%	99
Reduce the negative impact of homes in disrepair or causing nuisance to the community	95%	5%	104
Review housing conditions in the district and use the information to better target resources	93%	7%	61
Ensure houses in multiple occupation are safe and of good quality	91%	9%	71
Preventing and managing homelessness			
Prevent homelessness in all its forms	93%	7%	77
Increase provision of accommodation and support for homeless people facing multiple disadvantage, including people sleeping rough	87%	13%	82
Support victims and survivors of domestic abuse	93%	7%	50
Improve access to affordable, local housing options	81%	19%	86

2. Summary of additional responses

- 2.1 Respondents had the opportunity to provide open-ended comments against each priority and also any further comments at the end of the survey. These responses are summarised below. Note that the same comments were sometimes repeated across several different priorities or where they were not relevant.

Maximise delivery of genuinely affordable homes: Maximise delivery of new affordable housing to meet local needs

- 2.2 88% of respondents agreed with this as a priority. A further 168 comments were received, providing further detail and views.
- 2.3 Over one-quarter (29%) of these were points related to planning concerns, most commonly:
- ensure the provision of appropriate infrastructure (schools, doctors, transport) to support new developments and integration with existing communities;
 - the greenbelt/countryside should be protected;
 - enforce planning obligations/conditions (including those relating to affordable housing and more widely).

2.4 Other commonly raised views were:

- the importance of homes being truly affordable (17% of total responses) – not just in relation to affordable/social housing but also the need for developers to provide smaller, less expensive market housing for sale as well as large executive/family homes. Some felt this could only be achieved if the Council owned its own stock;
- there needs to be more housing options for older people, to encourage them to downsize and free up family homes (11% of responses) – this included bungalows and smaller houses (rather than flats) for those who remained independent but also more housing with support/care. Some mentioned the importance of older people being able to move but remain in their communities;
- young people should be prioritised (7% of responses) – adult children are having to remain in the family home for longer and/or are having to move away from the area in order to afford housing.

2.5 Other points raised by a small number of respondents each (less than 10):

- providing housing that is affordable should not be at the expense of quality;
- local people should be prioritised;
- everyone should be able to access good quality, affordable housing;
- high cost of the private rented sector and (to a lesser degree) lower standard of housing;
- need to look at innovative solutions, including modern methods of construction, buying properties on the open market and use of empty homes.

2.6 A few respondents were of the view that the provision of affordable/social housing distorted the workings of the free market.

2.7 There was also a myriad of other diverse points mentioned by one or two respondents including: ending Right to Buy; limiting second homes; reference to neighbourhood plans; need for more funding; and need to consider local circumstances not just district-wide need.

Points to take away:

2.8 There is a commonly held perception that planning obligations are not being enforced (with regards affordable housing obligations and also wider obligations), therefore this should be reviewed to ensure there is adequate information on the Council's website.

2.9 Add consideration of under-occupation to relevant part of Strategy.

2.10 Pass on planning comments to Planning Policy team.

Maximise delivery of genuinely affordable homes: Wherever possible, seek to champion the delivery of social rented homes

2.11 84% of respondents agreed with this as a priority. A further 112 comments were received.

2.12 Mostly, these were statements in support of the priority (33% of responses), expressing objections to affordable rent, some concerns about our dependence on developers to

deliver affordable/social housing via planning obligations and preference for the Council to own its own stock. One or two pointed out that the costs of homelessness were far greater than the costs of subsidising provision of social rented properties.

- 2.13 Other respondents identified specific groups of people who they thought should be prioritised (less than 10 responses each): local people; young; families; older people; those needing adaptations.
- 2.14 Other points raised (fewer than 10 responses each) included:
- the need to enforce planning obligations and ensure appropriate infrastructure;
 - need for more shared ownership properties;
 - concerns about renting in the private sector.
- 2.15 12 respondents (11%) specifically expressed reservations over this priority, mostly because they had concerns about viability and believed it best to prioritise delivery of as much affordable/social housing as possible. Some thought it might negatively affect the quality of homes delivered or that set quotas should not be imposed, rather that local situations should be considered on a case-by-case basis.

Maximise delivery of genuinely affordable homes: Work with local communities and partners to identify housing needs in rural areas and bring forward new affordable housing in line with this

- 2.16 88% of respondents agreed with this as a priority. 119 respondents provided further comment.
- 2.17 22% of further comments received expressed support for this priority, highlighting the importance of sustaining rural areas and tackling the challenges they face. Whilst some respondents specifically mentioned the needs of young people, it is interesting to note that others believed that young people were happy to move away or that rural areas were not the best places for young people anyway.
- 2.18 Another 50% of respondents expressed qualified support for development, citing:
- the need to protect greenbelt/rural character;
 - concerns over infrastructure which was felt to be poor anyway in rural areas;
 - development only where it is needed;
 - it must be in keeping with the surrounding area and impact on existing residents should be considered;
 - developments should be small scale; and
 - include small 'starter' market homes for sale.
- 2.19 Other comments of relevance (raised by few than 10 respondents include):
- housing should be for local people;
 - Council needs to work effectively with rural communities (including use of community housing models and use of existing rural exception policies);
 - use existing stock better – under-occupation and second homes;

- utilise brownfield sites first;
- housing for older people challenging in rural areas;

Maximise delivery of genuinely affordable homes: Ensure affordable housing is allocated to those in most need

- 2.20 89% of respondents agreed with this as a priority. 98 respondents provided further comment.
- 2.21 Almost one-third (32%) of responses revolved around how need should be defined and which groups this should include, with views expressed around fairness, consideration of individuals' own resources and the idea of some groups 'deserving' help more than others. Some specific groups were mentioned for prioritisation – young people (including families), homeless people, those in overcrowded housing and those in low paid and/or public sector jobs.
- 2.22 Many felt strongly (30%) that local people (those who live and/or work in the area) should be prioritised for affordable housing.
- 2.23 6% believed that those waiting the longest should be prioritised over others.
- 2.24 Other relevant comments received (less than 5 each) include:
- concerns around housing in the private rented sector;
 - review households' eligibility for affordable housing more regularly;
 - would like to understand allocation process better.

Points to take away:

- 2.25 Publish summary results of CHAS consultation (provisionally due for May Outlook) and consider how the new CHAS should best be publicised to promote understanding.
- 2.26 Consider need to improve understanding around local connection rules.

Ensuring high standards of housing: Help residents to remain in their homes for longer

- 2.27 91% of respondents agreed with this as a priority. 99 respondents provided further comment.
- 2.28 29% provided further statements in support of the priority, many pointing out the benefits (physical and mental health) to individuals of remaining in communities with existing support networks. Some also highlighted that this priority was also dependent on the availability of support with e.g. day to day needs (a Hertfordshire County Council function). A few thought a degree of turnover was necessary to free up family sized accommodation.
- 2.29 15% believed however that where older people (in the main) were in properties that were too large for their needs, they should be actively encouraged to downsize.

- 2.30 7% furthermore believed there needed to be more housing options available for those who wish to downsize, including bungalows and smaller properties as well as more affordable private sector retirement properties.
- 2.31 13% mentioned improvements to energy efficiency as being a priority, with a few respondents also acknowledging the role of central government in prioritising funding for this.
- 2.32 Other relevant comments included:
- some were unaware of the availability of grants;
 - concerns about private rented sector specifically;
 - Lifetime Homes to ensure homes that can be easily adapted to future needs.
- 2.33 Respondents who did not agree with this priority raised the following points:
- delivery of more affordable housing viewed as a greater priority;
 - depends on personal circumstances, some might be better off moving to a smaller home that is cheaper to run.

Points to take away:

- 2.34 Consider reviewing how grants are publicised to improve awareness. Also seemed to be some confusion amongst respondents about who is eligible for assistance (social housing tenants only vs private renters and owners).

Ensuring high standards of housing: Reduce the negative impact of homes in disrepair or causing nuisance to the community

- 2.35 95% of respondents agreed with this as a priority. 104 respondents provided further comment.
- 2.36 Bringing empty properties back into use was a key theme mentioned by 20% of respondents, with one or two also suggesting the use of empty commercial properties.
- 2.37 A further 19% provided general statements of support, pointing out that all homes should be of a high standard, highlighting the impact on health of poor housing and views that we should look after existing stock before building more homes.
- 2.38 Other points raised (less than 10 each):
- recognise restrictions in terms of funding, resourcing and not having our own stock;
 - private sector landlords should be responsible for maintaining properties – enforcement;
 - social tenants should be responsible for looking after their homes, with incentives as necessary e.g. deposit scheme, reduced rents, tenant/landlord charters;
 - there can be underlying reasons behind disrepair - an individual's poor health (e.g. hoarding being a mental health condition), lack of information/knowledge, not feeling valued or connected to a place, poverty;
 - concerns over damp and mould;

- a few mentions of anti-social behaviour;
- housing providers need to maintain their stock better and more effectively;
- it is not always cost-effective to repair older properties.

2.39 Of those who disagreed with this as a priority, most said that delivery of more affordable homes was more pressing. A few believed this priority should only cover the public sector.

Points to take away:

2.40 Consider whether there is need and/or scope to undertake more prevention/education (or better publicise existing advice) around common disrepair issues e.g. damp and mould and addressing underlying causes of disrepair.

Ensuring high standards of housing: Review housing conditions in the district and use the information to better target resources

2.41 93% of respondents agreed with this as a priority. 61 respondents provided further comment.

2.42 Most respondents provided general comments of support, although some felt that more information was needed about this priority. A few also qualified their support by saying this would only be a useful exercise if it was conducted on a more regular basis and if practical actions were taken as a result. Some also noted the importance of communication around the exercise.

2.43 Other comments were mostly regarding other priorities as already raised e.g. points on planning and new developments.

Ensuring high standards of housing: Ensure houses in multiple occupation are safe and of good quality

2.44 91% of respondents agreed with this as a priority. 71 respondents provided further comment.

2.45 Almost half (45%) of respondents provided general comments around supporting this sector in order to protect tenants, some of whom are particularly vulnerable, but also to improve the standing of an often stigmatised but valuable form of housing. Some pointed out that HMOs are used by a wider section of society than we had communicated – more generally by those unable to afford other accommodation such as single people.

2.46 14% stated the need for stricter enforcement and more regular inspections (although some questioned where the resourcing would come from).

2.47 11% did not support this priority, believing that HMOs caused nuisance to neighbours whilst others said that there should be limits to occupancy.

Points to take away:

2.48 Update text in Strategy about groups who use HMOs.

Preventing and managing homelessness: Prevent homelessness in all its forms

- 2.49 93% of respondents agreed with this as a priority. 77 respondents provided further comment.
- 2.50 Almost one-third (31%) provided general comments of support, including views that this should be a top priority.
- 2.51 Another 23% provided comments (fewer than 5 each) illustrating the complex nature of the problem:
- more accommodation needed, including hostels;
 - some hostels are not able to accommodate those with complex needs;
 - some people are difficult to engage/work with;
 - need for earlier intervention;
 - need for better education e.g. around budgeting;
 - some factors are beyond the control of the Council.
- 2.52 16% felt that local people should be prioritised for help.
- 2.53 A further 12% mentioned other specific groups that they felt should be prioritised: veterans, care leavers, the vulnerable and those who are homeless through no fault of their own.

Preventing and managing homelessness: Increase provision of accommodation and support for homeless people facing multiple disadvantage, including people sleeping rough

- 2.54 87% of respondents agreed with this as a priority. 82 respondents provided further comment.
- 2.55 One-quarter (26%) of respondents identified the need for the Council to work in partnership with other agencies in order to provide effective, coordinated interventions to fully support homeless people - Herts County Council (social services) was mentioned most often, with some respondents also mentioning other local authorities, specialist agencies and the voluntary sector.
- 2.56 11% raised the question over where resourcing would come from.
- 2.57 Other points raised (fewer than 5 responses each):
- prioritise those who are homeless through no fault of their own;
 - encourage self-reliance and education;
 - prioritise local people;
 - small scale schemes better;
 - need for good quality accommodation;
 - need to measure effectiveness of interventions.
- 2.58 Other points raised were not specific to this priority and had already been raised previously e.g. need for more affordable housing.

Points to take away:

- 2.59 Amend priority to: “Increase provision of good quality accommodation and support for homeless people facing multiple disadvantage, including people sleeping rough.”
- 2.60 A lot of this feedback expresses exactly what we want to do, and the challenges we face. Consider whether we need to be better at communicating this.
- 2.61 For action plan – consider how best to monitor interventions and publish results.

Preventing and managing homelessness: Support victims and survivors of domestic abuse

- 2.62 93% of respondents agreed with this as a priority. 50 respondents provided further comment.
- 2.63 Over one-quarter (28%) mentioned the need for a multi-agency approach, particularly the need to work with police in securing convictions.
- 2.64 Other comments (less than 5 each):
 - need for effective sanctions against perpetrators;
 - recognised complex nature of the issue with some victims returning to abusers, and the need for education and thorough and delicate investigations;
 - questioned the availability of resourcing.

Preventing and managing homelessness: Improve access to affordable, local housing options

- 2.65 81% of respondents agreed with this as a priority. 86 respondents provided further comment.
- 2.66 Most comments (35%) focused around challenges in this area:
 - private rented sector is too expensive, with poor housing standards and insecurity of tenure;
 - there is not enough supply of privately rented accommodation (including a few comments that government legislation was hindering the sector);
 - need to better enforce standards in the sector;
 - would need to be innovated to help people into the private rented sector but was not a long term solution.
- 2.67 A further 22% believed more affordable housing is important, including a few mentions of stopping Right to Buy.
- 2.68 Other comments repeated those raised previously, including comments about bringing empty properties back into use and prioritising local people.
- 2.69 5% stated in further comments that they did not see this as a priority, or believed that the Council should not work with private landlords.

Any other comments

2.70 173 respondents provided additional comments at the end of the survey.

2.71 Almost one-third (29%) related to planning matters, most commonly the need to protect greenbelt and rural characteristics and the need for better infrastructure when planning new developments. There were also a few comments about streamlining the planning process, enforcing planning obligations and environmental/eco considerations (e.g. Code for Sustainable Homes).

2.72 Other common views were:

- 11% believed there should be more affordable/social housing, including some advocating for council housing;
- 7% related to the allocation of social housing, mostly around the need to make allocation fair and to ensure that it is not taken advantage of;
- 5% expressed concerns over the private rented sector, citing the expense in particular with others wanting better/more enforcement;
- 5% mentioned the need to use existing housing more effectively, including bringing empty homes back into use (also in town centres) and encouraging downsizing;
- 5% questioned the availability of resourcing for the Strategy, with some concerned about the impact on the public purse (believing we should only do the statutory minimum);
- 5% said market housing was not affordable and there should be more smaller properties built on new developments;
- 4% felt that local people should be prioritised;
- 3% raised issues about rural developments, mostly wanting smaller scale developments.

2.73 Other responses received (each with less than 5 comments):

- need for more accessible homes, including affordable/social;
- need for multi-agency working;
- the Strategy contained too many priorities;
- all priorities were important;
- tackling homelessness should be the top priority.

Points to take away

2.74 Add in some information to relevant part of Strategy about planning obligations around environment/energy efficiency.

Appendix 2: Housing Strategy 2024 – 2029

Foreword

It gives me great pleasure to introduce our latest Housing Strategy for North Hertfordshire. This is an ambitious document that sets our priorities and objectives over the next 5 years.

Housing is a fundamental human right that not only provides shelter and security but also plays a vital role in determining the overall well-being and prosperity of our residents.

In recent years, North Herts has experienced the far-reaching impacts of the housing crisis, including rising housing costs and limited availability of affordable homes.

This Housing Strategy provides a robust response to these challenges and sets out how we will maximise the supply of affordable housing, ensuring that we work closely with developers to achieve up to 40 percent affordable housing on new sites, as outlined in our Local Plan.

This document also outlines a multifaceted approach to housing that will help bring properties back into use, prevent homelessness, and provide continued support to meet the needs of our most vulnerable residents.

Moreover, this Strategy recognises the importance of strengthening partnerships within all sectors to influence resources and expertise in pursuit of our housing goals.

As we implement this Strategy, we must remain mindful of the ever-evolving nature of the housing landscape. We must remain flexible and adaptable, and strive for continuous improvement as we work to address emerging needs and challenges.

Finally, I would like to express my gratitude to all the residents and stakeholders who shared their views throughout the consultation process. Your input has been invaluable in shaping this strategy, and your ongoing engagement will be vital to its success.



Councillor Sean Prendergast

Executive Member for Housing and Environmental Health

Purpose of the Housing Strategy

North Herts Council, as the local housing authority, is responsible for working to meet the housing needs of our local residents. This is a wide remit, ranging from tackling homelessness to delivering new affordable housing to overseeing housing standards in the district.

Our Housing Strategy sets out our main areas of focus for the coming five years, namely:

- maximising delivery of genuinely affordable homes
- ensuring high standards of housing
- preventing and managing homelessness

Experience of the past few years has shown us that our Strategy needs to be agile, so that we can respond quickly and effectively to changes in legislation and shifting national and local issues as they develop. This Housing Strategy is therefore purposefully high level, with detail about how we will achieve our priorities set out in an Action Plan which we will publish each year.

Homelessness and housing are inextricably linked and we have therefore incorporated our Homelessness and Rough Sleeping Strategy for 2024-2029 within this Housing Strategy. Please see also the accompanying [review into homelessness](#) in North Herts, which informs the Homelessness and Rough Sleeping Strategy.

The Housing Strategy in context

A decent, affordable home is so much more than just a roof over a person's head – it provides safety and stability from which people can lead healthy, productive and fulfilling lives.

Housing is therefore a core thread which runs through the Council's work, overlapping across other key policy areas including health, economic development, [climate change](#), [equality and inclusion](#) and safe and sustainable neighbourhoods.

Our Housing Strategy will support the delivery of the four key themes that have been identified in the [Council Plan 2022-2027](#) as areas of focus for the next five years:

- **Our environment:** a duty to protect and a commitment to tackle climate change
- **Our local economy:** supporting our towns and rural areas to thrive and grow
- **Our places:** creating spaces and infrastructure to meet the needs of our residents and a commitment to providing affordable housing
- **Our services:** welcoming and accessible and a commitment to invest in our staff

It also sits within the framework of the district's [Local Plan 2011-2031](#) which sets out how and where new homes will be delivered in the district and is a key delivery route for additional affordable housing. Also particularly relevant are the Council's [Tenancy Strategy](#), which sets out recommendations for local housing providers on tenancies and rents, the [Environmental Health Enforcement Policy](#) (an appendix to the Council's Enforcement Policy) and the [Policy for Licensing Houses in Multiple Occupation](#). The Tenants' Charter is being developed to provide information and clearly state the roles and responsibilities of all those involved in the residential rented sector. It has been recognised that many in this sector, both as tenants and housing providers either do not know their rights or obligations, or try to hide behind this lack of knowledge to avoid their responsibilities; the Tenants' Charter will help to mitigate this.

The Council's work on homelessness and housing standards in particular are tightly governed by legislation¹ which sets out the Council's duties (what it has to do) and powers (what it may choose to do).

Equality and diversity

The Council also has legal obligations to fulfil under the Equality Act 2010. In our work across all service areas, we are committed to promoting equality of opportunity, to eliminating discrimination and to fostering good relations between diverse groups in our community.

Strong local partnerships

The Council does not own or manage any housing and we therefore rely on strong partnerships with local housing providers, government bodies, statutory services (such as health and social care) and a range of voluntary and other third-sector organisations to help us to deliver our priorities.

Annex 1 provides a broad overview of our key relationships.

Resourcing

Realistically, resourcing will always be the ultimate limiting factor to the extent of our ambitions. We are doubtless all aware of the enormous pressures on local government funding and the demand for Council services. This is compounded by the typically short-term nature of funding settlements from government which makes it extremely difficult to plan strategically for the longer-term.

The Council legally has to provide certain services, such as accommodation for priority homeless households and disabled facilities grants for eligible applicants, and these will always be prioritised where resources are short. However, with the help of our local partners, and by pursuing additional funding opportunities and new ways of working where they arise, we will aim to achieve more, as set out in this strategy.

Housing in North Herts

North Herts is a predominantly rural district with four main settlements (Baldock, Hitchin, Letchworth Garden City and Royston) and about 40 villages and hamlets. Its current population is estimated at just over 133,000² and this is projected to grow by around 6,600 by 2031³. The vast majority of growth is expected to stem from increases in the older population, with people aged 80-84 the largest growing group (by 43%⁴).

Overall, North Herts is an attractive place to live and work, with good rail and road connections and house prices reflect this.

¹ Primary homelessness legislation is contained within the Housing Act 1996. It is amended by the Homelessness Act 2002, the Homelessness Reduction Act 2017 and the Domestic Abuse Act 2021. The Housing Act, 1988 also addresses the end of tenancy arrangements.

² ONS, mid-2021 population estimates.

³ North Herts District & Stevenage Borough Councils Strategic Housing Market Assessment 2023, Opinion Research Services.

⁴ ONS, 2018-based subnational population projections.

Median house prices, year ending March 2023

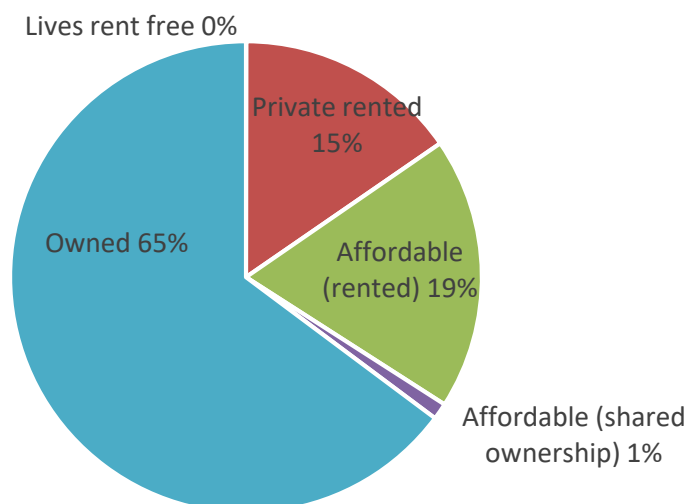
	North Herts	Herts	East	England
All house types	£407,000	£460,000	£342,500	£290,000
Detached	£675,000	£830,000	£480,000	£440,000
Semi-detached	£451,375	£550,000	£350,000	£264,000
Terraced	£370,000	£422,500	£310,000	£240,000
Flats	£226,555	£261,000	£210,000	£232,000

Source: House Price Statistics for Small Areas, ONS September 2023

Affordability of home ownership was identified as a key challenge in our previous housing strategy and it remains a significant hurdle, with house prices over nine times average annual earnings⁵.

A small and in-demand private rental sector means that there are also stark affordability issues here, with most low-income households priced out of the sector due to benefit levels (local housing allowance) not keeping up with market prices (see our [Tenancy Strategy](#) for further detail). The sector is furthermore characterised by small-scale or 'accidental' landlords, making the local supply of rental properties more sensitive to changes in landlords' personal circumstances and any uncertainties that may accompany legislative reform of the sector.

Household tenure in North Herts



Source: Census 2021, ONS

Affordable (also known as social) housing in North Herts is owned and managed by registered providers of social housing, with the [Regulator for Social Housing](#) overseeing the sector. Settle is the largest provider of social housing in the district, but there are over 30 in total. Demand is consistently high for affordable housing, with generally around 2,500 households on our register for affordable housing at any one time (see [statistics](#) on our website, updated annually).

In total, there are around 59,000 homes in North Hertfordshire⁶. The vast majority of these are in generally good condition with no obviously large concentrations of poorly performing

⁵ ONS house price to residence-based earnings ratios 2022.

⁶ Census 2021.

dwellings in the district Latest data⁷ however suggest that over 10% of households in the district suffer from fuel poverty and are unable to afford to heat their homes sufficiently. A housing condition survey is due to be carried out during 2024 which will look at a number of relevant key housing associated criteria, including the tenure, the state of the property, the type and extent of the heating, housing alteration needs, etc., all of which contribute to the affordability and suitability of the home for the occupant. It is already well known that many homes in the rented sector in the district are social housing, and partly due to the increasing pressures on these landlords, it is likely that they will face an increasing challenge as they try to meet their obligations whilst working with an aging housing stock.

There are around 200 Houses in Multiple Occupation in the district, with the Council having licensing responsibilities for just under 40 of these. There are also a small number of park homes which offer an alternative to the main housing stock.

We have conducted a detailed [review of homelessness](#) in the district to inform our Homelessness and Rough Sleeping Strategy.

Maximising delivery of genuinely affordable homes

Key priorities

- Maximise delivery of new affordable housing to meet local needs
- Wherever possible, seek to champion the delivery of social rented homes
- Work with local communities and partners to identify housing needs in rural areas and bring forward new affordable housing in line with this
- Ensure affordable housing is allocated to those in most need

The need for more affordable homes

Affordability of local housing for our residents remains a key challenge, with house prices over nine times average annual earnings. By 2031, over 3,000 additional local households will be in need of affordable housing, with 29% of newly forming households estimated to be unable to afford to rent or buy on the private market locally⁸.

Affordable housing is defined within the national planning policy framework⁹ and refers to homes let at social and affordable rents, typically 50-80% of market rents. It also includes a range of intermediate housing products which are homes for rent or sale above social/affordable rents but below market levels. In North Herts, intermediate housing is generally provided via [shared ownership](#). Affordable housing is also known as social housing.

The Council's [Local Plan](#) for 2011-2031 aims to deliver at least 11,600 net new homes to meet the district's needs for market and affordable housing. The Local Plan provides for 33% of all homes over the plan period to be delivered as affordable housing, with targets of 40% affordable housing on the largest sites¹⁰. We will negotiate with developers to ensure that maximum viable affordable housing is delivered on new sites to meet the district's

⁷ Sub-regional fuel poverty data in England 2023 (2021 data), Department for Energy Security & Net Zero.

⁸ North Herts District and Stevenage Borough Councils Strategic Housing Market Assessment 2023, Opinion Research Services.

⁹ [National Planning Policy Framework](#), December 2023.

¹⁰ See also [Developer Contributions Supplementary Planning Document](#), January 2023.

identified housing needs. In instances where on-site provision of new affordable housing is not possible or appropriate, planning obligations¹¹ set out requirements for off-site provision or an equivalent financial contribution (commuted sum) from the developer, in lieu, which is used for the delivery of additional affordable housing on other schemes.

It is important to recognise that the availability of land locally is extremely limited and is a key constraint on the provision of additional affordable housing. The lack of viable sites outside of those identified in the Local Plan means that we are largely reliant on planning gain for the delivery of new affordable housing. Whilst the majority of the district's overall need for affordable housing should be met by planning gain if the Local Plan targets are achieved (and taking account of homes already delivered), developer activity is dependent upon prospects for the economy as a whole.

Housing for older people and vulnerable households

Our population is ageing. By 2031, people aged 65 and over will account for almost one-quarter (23%) of the district's projected population. Fortunately, we are living longer, healthier lives and most older people will continue to live independently in their own homes or to do so with a minimum of support. We recognise the need to develop a range of attractive housing options for older people to suit how people wish to live now and in the future.

We set out in the next section options for those who wish to stay independent in their own homes for longer.

The Local Plan includes provision for a range of newbuild older persons housing. On certain development sites, this may include bungalows or smaller homes which meet accessible and adaptable standards. Larger sites will be able to support some sheltered housing (some of which will be affordable homes, in line with planning requirements), which is usually designed specifically for those over the age of 55 and provides for independent living with modest levels of support.

The Local Plan also sets out requirements for older people who require higher, specialist, levels of support in supported accommodation. Specialist supported housing may in fact be required by people of all ages, who have physical or mental health requirements or other support needs such as substance abuse issues or being at risk of violence or abuse.

The provision of supported accommodation is primarily a Hertfordshire County Council function and they also have key responsibilities for providing practical support to help people to live independently and stay safe and well. We will continue to work closely with the County Council to assess the accommodation needs of local residents, and bring forward opportunities to meet these.

The new Supported Housing (Regulatory Oversight) Act 2023 introduces changes to how certain supported accommodation is regulated. It allows for the government to create new national supported housing standards and introduces a requirement on local authorities to review supported accommodation in their area and publish a supported housing strategy. This additional area of work will be covered in our Action Plan, once further detail is available from government.

Housing grants are also available in some circumstances to help occupants remain in their homes. All of the grants are limited, targeted and means-tested, but are available to help different sectors within our community if they have a qualifying need. Disabled facilities grants are available to help facilitate adaptations and alterations to a dwelling to allow the beneficiary to continue to live with greater independence. Housing Repairs Assistance Grants are available to help address relatively minor matters including disrepair, again to

help keep the property suitable to live in for longer. Also, for many years, it has been recognised that our housing stock is largely not as energy efficient as it needs to be. In recent years, the energy crisis has exacerbated this, with many becoming more concerned about their abilities to feed or heat their homes. Various energy related grant schemes have been used over time, with the embodiment of these currently being the Eco Schemes, which are Government funded via the energy companies, and aim to help improve the energy efficiency of qualifying homes. Whilst not exclusively available to the elderly or vulnerable, these groups do tend to be major beneficiaries of these grants, and although demand far exceeds funding, at least in North Herts, the Council will continue to deliver or sign-post to these grants.

Ensuring genuinely affordable housing

Affordable rents, which are set at up to 80% of market rents, and therefore, unlike social rents, are not linked to local incomes, are increasingly unaffordable for local households especially those reliant upon benefit receipt. Our [Tenancy Strategy](#) sets out our concerns in detail and provides guidance based on latest available evidence on affordability for housing providers operating in North Herts. This includes a core requirement that rents should be no higher than Local Housing Allowance levels for the area.

However under the national planning policy framework, the majority of rented homes delivered through planning gain are for affordable rent rather than social rent as these are more viable for developers. As more new homes are delivered, and older stock is replaced, so affordable rent is likely to make up an increasing proportion of our total affordable housing stock. In 2022/23, properties let at affordable rent made up 20% of lets compared to only 8% in 2019/20¹².

Affordable housing completions in North Herts

	Social rent	Affordable rent	Intermediate	Total
2019/20	0	38	40	78
2020/21	71*	47	41	159
2021/22	2	83	50	135
2022/23	54*	39	5	98
2023/24 (estimate)	0	95	41	136

Source: NHC monitoring.

* independent living units for people aged over 55.

The Council will promote the delivery of genuinely affordable homes, supported by up-to-date evidence including that provided by our latest Strategic Housing Market Assessment. In many instances, evidence shows this will be through the delivery of social rented properties . and keeping all rents within local housing allowance (LHA) rates Whilst most affordable housing is delivered through the planning system, we will continue to work in partnership with local housing providers and other partners to bring forward other affordable housing sites where opportunities become available and where funding can be secured whilst also considering enforcing options when housing obligations remain undelivered.

Working with rural communities

¹² NHC analysis of lets.

There are unique challenges around the provision of affordable housing in our rural areas, where affordability is often the most challenging and homes scarce. Without sufficient affordable housing for young people in particular, rural communities will struggle to remain sustainable into the future.

We will continue to work with Community Development Action, parish councils and registered providers to identify housing needs in rural areas and bring forward new affordable housing for local people as appropriate through a programme of rural housing needs surveys.

Allocation of affordable housing

With many households unable to afford to rent or buy a home on the private market, there is high demand for affordable housing and often long waits for those registered for rented affordable housing.

The Council, together with settle housing, manages and operates the [Common Housing Allocation Scheme](#) for North Herts. This sets out who can apply for rented affordable housing and how households meet local connection criteria and are prioritised for housing. We keep the allocation scheme under regular review in order to ensure that it remains up-to-date (for example following changes in legislation) and that affordable homes continue to be allocated to those in most need.

We recognise that some affordable housing is under-occupied, mostly by couples (both of pensionable age and younger) who no longer have children living with them. We will continue to review options to encourage people to downsize where appropriate, although the lack of attractive alternative housing options is a particular barrier.

Ensuring high standards of housing

Key priorities

- Help residents to remain in their homes for longer
- Reduce the negative impact of homes in disrepair or causing nuisance to the community
- Review housing conditions in the district and use the information to better target resources
- Ensure houses in multiple occupation are safe and of good quality

Help to remain in the family home

It is now well recognised, that as well as wishing to live in their family home for longer, people also tend to remain healthier for longer if they are able to do so. Unfortunately, as we become older or less able, this preference to remain independent becomes harder to achieve.

Providing targeted grants to assist residents to maintain homes in a good state of repair and to improve their energy efficiency is one way in which the owners of these homes can be helped to remain independent for longer, thereby allowing more of our residents to remain in their community for longer. The Council will work with our communities to make available as much grant aid as practicable, not just for the benefit of current residents, but to prolong the effective lifespan of the homes, thereby helping to the community to improve the living conditions for more people into the future.

As previously mentioned, for some of our residents, grants may be available to either adapt or repair their homes, or help to make them more energy efficient. Although this assistance is limited, and so can only help a small proportion of our residents, the grants do help people

to remain in their homes for longer, and so reduces the demand to additional housing, even if in the longer term, more suitable housing will still be required.

Empty homes

Within the district, there are a significant number of empty homes, which for a number of reasons, have been removed from the housing sector, whether for a short or long-term period. Homes which are vacant for a short period of time, especially if they are undergoing repair or are mid-sale, are an essential, albeit small part of the private sector housing establishment.

However, there is a small but significant number of private houses which have been kept vacant by the owners for many months (including second homes), and often for many years, and these are known as long-term vacant dwellings. We wish to engage with the owners of these homes to better understand why they are not being brought back into use, and ultimately to increase the housing stock within the district. The Council adopted an Empty Homes Strategy at the start of 2024 and this will form the basis of a targeted intervention (alongside increased Council Tax premiums) to better manage this resource, helping owners to make available a valuable commodity and at the same time, reducing the impact of any unwanted blight and nuisance caused by vacant homes left to fall into disrepair.

Enforcing housing standards

It is recognised that homes, just as everything else, deteriorate over time. It is also accepted that home-owners have the responsibility to repair their homes, at least in the manner and to the standard they wish, although in certain aspects, e.g., electrical defects, structural issues, etc., minimum legal standards exist and defects or repairs falling below this minimum limit, or adversely affecting neighbours may require a more formal intervention to facilitate the repair.

Homes in the rented sector also mirror the above points, with the owner again responsible to ensuring a minimum standard of housing conditions are available, albeit, for the comfort and safety of their tenant, rather than themselves. Due to the nature of this type of tenure, there is a greater focus on the roles and responsibilities of both the landlord and the tenant although the objective remains the same. Unfortunately, for many reasons, many tenants do find they are living in homes not fully meeting the minimum standards, and whilst they often have a contractual means of redress, when the defects fall below legal standards, regulatory agencies can act on behalf of the tenant to ensure those standards are achieved. The Council's Environmental Health service has championed this response for many years, and will continue to do so where the defect poses a risk to health of the occupant or others, or a statutory breach is the problem. However, recently, the Government has developed and introduced a range of first tier judicial agencies who look at specific areas of the law and aim to resolve disputes faster and in a more focussed way. The Housing Ombudsman is one such agency, and they aim to resolve tenancy disputes, including the failure of the landlord to provide a home at least meeting minimum reasonable standards of repair.

Reviewing housing conditions

It is important that the Council has a good understanding of the nature and characteristics of the housing in their district, especially when associated with the demands of the community. Through their normal daily interactions officers understand this, and use this information to better target any formal response to complaints and interventions, but a more formal assessment of the local housing conditions, will be via a Housing Stock Conditions Survey. The survey is due to take place during 2024 and will review a high number of characteristics associated with our housing stock and allow us to identify and better target our resources and service delivery to accommodate our housing conditions needs. Previous surveys have helped the Council focus its service delivery to the greater need, and it is expected that this survey will do the same.

Fuel poverty/energy efficiency?

It has long been recognised that our housing stock is not as energy efficient as it could be, meaning that it costs more to effectively heat and run our homes, when compared to the best standards which are already available, but tend not to be incorporated into homes. Even new build housing, although more energy efficient than previous homes, still fall far behind many European neighbours housing standards or what is also available in the UK, albeit at a higher initial cost. Add to this an energy crisis of rapidly escalating fuel costs, for the first time in many years, more people are becoming increasingly conscious that changes to their homes, or heating practices need to be made to improve matters.

As part of an assistance programme to address at least some of the issues linked to this, the Government has, for many years, made available grant funding targeted and aimed at the more vulnerable household. This is currently in the form of the Eco Grants Scheme, and works with the larger energy companies funding a private sector scheme working to improve residential energy efficiency, including in North Herts.

In addition to the Eco schemes, subject to the limitations of the other grants, the Housing Repairs Assistance Grant can also contribute to improving energy efficiency matters, but only insofar as replacing defective systems, but this too continues to be available for qualifying residents.

Provision of safe and good quality houses in multiple occupation

Houses in multiple occupation (HMO) provide an essential resource for those who are otherwise unable to secure private housing by themselves or need to live affordably in a location for a short time, but are unwilling or unable to occupy a whole house, e.g., transient workers or students. HMOs are essentially privately rented homes occupied by more than one household, living with a substantial degree of separation between the households, but sharing facilities such as a kitchen, a bathroom or the living area.

Currently in the UK, there are legally two types of HMOs, those, which due to their household size and composition are required to be licensed before they can be occupied, and those which are smaller HMOs, which do not require a licence. The Council will work with all those involved in this sector to ensure that all HMOs are legally compliant, that they are safe and in a good state of repair, and that their impact on the local community is controlled and beneficial, and that they too can also be a valuable commodity to the local housing sector.

Park homes

Park homes are a small but important part of the housing sector. All park home sites are required to be licensed; a license can only be obtained once planning permission has been given for a park home site. The Council has sought to promote good standards on park home sites over the years. All sites are periodically inspected and the Council adopted new model standards in December 2013.

Preventing and managing homelessness

Key priorities

- Prevent homelessness in all its forms
- Increase provision of good quality accommodation and support for homeless people facing multiple disadvantage, including people sleeping rough
- Support victims and survivors of domestic abuse

- Improve access to affordable, local housing options

Homelessness prevention work

Preventing homelessness from occurring in the first place is key to tackling homelessness and its causes in North Herts. Homelessness is devastating for the individual and can have long term impacts upon health, wellbeing and other life outcomes, particularly if it is repeated. Children are especially hard hit with potential disruption to education, support networks and the stability that comes from a safe, secure home.

Homelessness takes many forms, from highly visible street homelessness (or rough sleeping), to 'sofa surfing' where someone moves between a series of family and friends' homes because they have nowhere else to stay.

The Council has [legal duties](#) to prevent and relieve homelessness as well as accommodation duties towards certain, priority groups of people including families with dependent children and individuals who are vulnerable due to physical or mental health needs for example. As summarised in our [review of homelessness](#) for the district, last year (2022/23), we owed duties to prevent or relieve homelessness to over 400 households. In addition, we owed a main housing duty to secure accommodation for just over 120 households.

We work closely with local partners to provide prevention services, including specialist support and advice for young people and those fleeing domestic abuse (more below) and advice and a range of support to tackle affordability issues (e.g. benefit advice, affordable loans, mediation with landlords) and help people stay in their homes.

However, more people continue to approach us for help at the point of homelessness, rather than earlier, when more can be done to help. This is despite well-publicised, easy-to-access online assistance being available through the Council's website and the range of prevention services delivered through specialist organisations. Two-thirds of those who approach at the point of crisis are single households and they are most likely to approach because they are being asked to leave accommodation by family or friends or because they are fleeing domestic abuse. We are committed to ensuring that our services are approachable and accessible to all and will continue to look at ways to improve this. We will also work to strengthen and develop our local partnerships to improve early identification of people at risk of homelessness and pre-crisis intervention.

Supporting people facing multiple disadvantage

A growing number of people who approach the Council for homelessness assistance face multiple disadvantage, that is to say, a combination of problems including homelessness. Over half of the single people that we placed into temporary accommodation in 2022/23 for example had two or more support needs. Mental health issues are extremely prevalent, and poor physical health is also very common. Many of the people we work with are also at risk of, or have experienced abuse of different forms (including domestic abuse), have histories of substance misuse and/or contact with the criminal justice system. Many have experienced repeated cycles of homelessness, including rough sleeping, with accommodation placements often failing due to unmet support needs. In recent years, the Council has also faced additional accommodation demands from refugee households as a result of global conflicts (most notably in Ukraine, Syria and Afghanistan) and the government's asylum dispersal policy.

People who sleep rough typically face a complex range of issues, with many having had multiple spells of street homelessness, interspersed with spells of sofa surfing and other temporary accommodation arrangements. About half of this group will have been previously refused entry or evicted from local supported housing schemes or affordable housing as a result of their behaviour and multiple support needs.

We are striving to put an end to the revolving door of homelessness. The complexities of peoples' support needs however, which span a range of services outside of housing, including adult social care, health services and the criminal justice system, mean that we cannot fix this on our own. That is why we are committed to the Herts [Making Every Adult Matter](#) partnership, which brings together the range of local services to provide a person-centred approach to help people move on with their lives. Our rough sleeping outreach service operates on similar principles, helping individuals not just into emergency accommodation but also to access appropriate support across the range of services.

Availability of good quality, local accommodation-based support is a core element of the pathway out of homelessness and towards independence, providing safe, suitable accommodation from which people can receive the support they need. We have worked hard during the pandemic and since to increase provision of this type of accommodation, however some of the provision is temporary and demand continues to outweigh supply. We will continue to seek to secure additional accommodation, wherever funding is available, in order to stabilise provision.

People on the pathway are supported by [housing related support](#) services commissioned through Hertfordshire County Council, including specialist mental health and substance abuse support. We will be working closely with the County Council in the commissioning of services into the future, ensuring that residents' support needs are met. Timely and relevant support services also have an important prevention role, reducing the risk of future, repeat homelessness.

Supporting victims and survivors of domestic abuse

There has been a notable increase over the last few years in people facing homelessness due to domestic abuse, making up 15% of cases in 2022/23. Unfortunately, the national picture is similar, with restrictions during the covid-19 pandemic serving to isolate victims and the current cost of living crisis adding to tensions in many homes.

The Domestic Abuse Act 2021 introduced, amongst other measures, a statutory definition of domestic abuse (emphasising that it is not just physical violence, but can also be emotional, controlling or coercive, and economic abuse) and provided that victims of domestic abuse automatically have a 'priority need' for homelessness assistance.

As part of the Hertfordshire Domestic Abuse Partnership, we are committed to preventing domestic abuse wherever possible, and where it is not, supporting victims and survivors to stay safe and rebuild their lives. We have worked with Survivors Against Domestic Abuse (SADA) for many years in order to do so, offering advice, emotional and practical support and crisis intervention where necessary (including Safe Space emergency accommodation).

Limited affordable, local housing options

A shortage of accommodation that is affordable in the district is a significant underlying reason behind homelessness in North Herts. Whilst home ownership is out of reach for many local people, especially the young, our private rental sector is small and in high demand. Affordable housing is in constant high demand with generally around 2,500 households registered at any one time for rented affordable housing.

Our review of homelessness identified tenants in private rented accommodation as being at particular risk of homelessness, with almost one quarter of homeless cases in 2022/23 due to private rented tenancies coming to an end. Many of these cases are due to tenants falling into rent arrears but some are also because landlords are selling their properties or wish to take them back.

For some of the people we work with however, who do not qualify for affordable housing locally (due to outstanding debt or criminal convictions for example), the private rented sector is their only housing option. We will be working to engage more intensively with local landlords to try and improve access to the sector for groups such as these.

For those for whom affordable housing is an option, our Common Housing Allocation Scheme provides reasonable preference for people who are homeless or at risk of homelessness. The Scheme is also an important prevention tool, incentivising young people in particular to remain in the family home until they can successfully bid for an affordable home.

Our work to maximise delivery of genuinely affordable homes will also go some way to increasing the housing options available to local people.

Annex 1: working with our partners to deliver for North Herts

Registered housing providers

Own and manage housing stock in North Herts (general needs, retirement living and supported housing).

Hertfordshire County Council

Responsible for provision of supported accommodation and housing related support for homeless and vulnerable households. Also a key landowner in the district. Lead for resettlement work with refugee households.

Other Herts local authorities

Partnership working and sharing best practice across housing and homelessness.

North Herts & Stevenage Homeless Forum

Central forum for all partners and stakeholders involved in delivery of local homelessness services, including:

Beam
Black Squirrel Credit Union
Change Grow Live (CGL)
Citizens Advice Bureau
DWP
Emerging Futures
First Garden Cities Homes
Herts County Council
HertsHelp
Herts Mind Network
Hertfordshire Constabulary
Herts Young Homeless
Housing brokerage service
Keystage Housing
Metropolitan Thames Valley Housing
NHS
No More service
North Herts Council
One YMCA
Peabody housing
POhWER
Probation Service
Resolve
Safer Places
settle
Stevenage Borough Council
Survivors Against Domestic Abuse (SADA)
Turning Point

Homes England

Funds affordable housing.

Regulator of Social Housing

Promotes a viable, efficient and well-governed social housing sector.

Letchworth Garden City Heritage Foundation

A key landowner in the district.

Herts Home Improvement Agency

Provision of home adaptations.

Community Development Action Herts and parish councils

Meeting rural housing needs.

North Herts Housing Partnership

Manages and administers the allocation of affordable housing in the district.

North Herts Council:

- maximising delivery of genuinely affordable homes
- ensuring high standards of housing
- preventing and managing homelessness

Multi Agency Public Protection Arrangements

Brings together key agencies to manage offenders.

Homelessness Advisory and Support Team (DLUHC)

Provides targeted advice and supports delivery of homelessness services.

Multi-disciplinary team arrangements

Brings together key agencies and services to discuss complex cases

Herts Making Every Adult Matter partnership

A coordinated approach to helping people with multiple disadvantage.

NHS trusts

Deliver healthcare and community based services

East of England Strategic Migration Partnership

Coordinates and supports delivery of national

Appendix 3: Equality Impact Analysis

1. Name of activity:	NHC Housing Strategy (2024 – 2029)			
2. Main purpose of activity:	To provide a strategic framework to enable the Council to undertake its statutory housing functions and to set high level priorities for the next five years. Work will focus on three key areas: (i) maximising delivery of genuinely affordable homes; (ii) ensuring high standards of housing; and (iii) preventing and managing homelessness. This Strategy replaces the previous Housing Strategy for 2019-2024.			
3. List the information, data or evidence used in this assessment:	The Housing Strategy is evidenced by a wide range of sources including: the Council's Review of Homelessness in North Hertfordshire ; the district's Strategic Housing Market Assessment (to be published shortly); published housing market data (including house prices, rents, local housing allowance levels); Council data on affordable housing and allocations . See also Trying Times: how people living in poor quality housing have fared during the cost of living crisis (Resolution Foundation, 2023), Young people's future health and the private rented sector (Chartered Institute of Housing, 2019), Homelessness in the countryside: a hidden crisis (University of Kent & University of Southampton, 2023), Costly differences: living standards for working-age people with disabilities (Resolution Foundation, 2023)			
4. Assessment				
Characteristics	Neutral (x)	Negative (x)	Positive (x)	Describe the person you are assessing the impact on, including identifying: community member or employee, details of the characteristic if relevant, e.g. mobility problems/particular religion and why and how they might be negatively or positively affected. Negative: What are the risks? Positive: What are the benefits?
Community considerations (i.e. applying across communities or associated with rural living or Human Rights)			x	Negative
				Positive There are unique challenges around the provision of affordable housing in our rural areas, where affordability is often the most challenging and homes scarce. Young people in particular are often unable to afford to continue living in villages in which they were brought up, with implications for viability and sustainability of rural communities. The Housing Strategy includes measures to bring forward new housing in rural areas, working with local communities, where need is identified.
A person living with a disability			x	Negative
				Positive The Housing Strategy identifies as a priority the need to help people to remain in their homes for longer, where they wish to do so. This includes provision of Disabled Facilities

				Grants for those needing adaptations to make their properties suitable for disabled living. For those requiring alternative accommodation and who are unable to meet their own needs, the Housing Strategy includes measures to ensure that scarce affordable housing continues to be prioritised for those who need it the most (which will include disabled households) and measures to maximise the supply of new affordable housing.
A person of a particular race	x			Negative Positive
A person of a gay, lesbian or bisexual sexual orientation	x			Negative Positive
A person of a particular sex, male or female, including issues around pregnancy and maternity	x			Negative Positive
A person of a particular religion or belief	x			Negative Positive
A person of a particular age			x	Negative Positive <p>The Housing Strategy also identifies the housing needs of older people as a specific area of focus, given the ageing population of the district (by 2031, people aged over 65 will account for 23% of the district's projected population). It includes provision for new build older persons housing (in line with the district's Local Plan 2011-2031), help for those who wish to stay independent in their own homes and collaborative work with Hertfordshire County Council which is responsible for the provision of supported housing for those with support needs. Younger people may also positively benefit from measures to increase the delivery of affordable housing as it is typically young people who find it most difficult to afford housing of their own.</p>

Transgender	x			Negative
				Positive
5 Results				
	Yes	No		
Were positive impacts identified?	x		<p>The Housing Strategy includes measures to meet a wide range of housing needs in North Herts. Many of these measures cover statutory functions, particularly those around homelessness and housing standards.</p> <p>Some of these measures will benefit a wide tranche of residents, such as improving delivery of affordable housing and measures to bring empty homes back into use. The majority of interventions however will benefit (indeed are targeted at) the most vulnerable of our residents, including those who are homeless and rough sleeping, those who are living in poverty in hazardous housing conditions, people fleeing domestic abuse and those with multiple support needs. Much of this is governed by the legislative framework which e.g. sets eligibility criteria for services/assistance.</p>	
Are some people benefiting more than others? If so explain who and why.	x		<p>The Council's statutory housing functions, as framed in the Housing Strategy, are directed at assisting those in greatest housing need.</p>	
Were negative impacts identified (what actions were taken)		x		
6. Consultation, decisions and actions				
If High or very high range results were identified who was consulted and what recommendations were given?				
<p>Public consultation took place over January/February advertised through the Council's website and social media channels. Over 450 completed responses to a consultation survey were submitted, with a majority being in favour of each of the priorities identified in the Strategy. Many useful additional comments were provided and some of these have been included in the Strategy whilst others will be taken up in the annual action plan.</p>				
Describe the decision on this activity				
<p>No negative impacts identified and therefore no changes required to be made.</p>				
List all actions identified to address/mitigate negative impact or promote positively				
Action		Responsible person		Completion due date
We will publish the new Housing Strategy on our website. Annual action plans will also be published with information on priorities for the forthcoming year and progress over the year.		Strategic Housing Manager		Strategy to be published by 1 April 2024. Action plans to be published annually.
When, how and by whom will these actions be monitored?				
<p>Actions to be monitored by the Strategic Housing Manager, with reporting of performance indicators at corporate level as relevant.</p>				

7. Signatures	
Assessor	
Name: Tiranan Straughan	Signature** T F Straughan
Validated by	
Name: Martin Lawrence	Signature** M S Lawrence
Forward to the Corporate Policy Team	
Signature** G R Chapman	
Assessment date: 23/02/2024	Review date: 23/02/2024

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

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

**CABINET
19 MARCH 2024**

PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: EXPANSION OF THE SOFT PLASTICS COLLECTION TRIAL

REPORT OF: SHARED SERVICE MANAGER – WASTE MANAGEMENT

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

COUNCIL PRIORITY: SUSTAINABILITY

1. EXECUTIVE SUMMARY

This report seeks authority for the expansion of kerbside collections of plastic film and wrapping (soft plastics). A small trial has been running under delegated authority, in Knebworth, since November 2023 providing approximately 2,000 households with fortnightly soft plastics collections. This has been successful and is providing useful data to Flexible Plastic Funds FlexCollect trial and the Shared Waste Service in advance of introducing collections more widely in 2025. An expansion to a further 7300 households is proposed across East and North Hertfordshire with the total number of households in North Herts anticipated to be 6,250.

2. RECOMMENDATIONS

- 2.1. That the Cabinet agree to the expansion of the Flex Collect trial and kerbside collections of soft plastics.
- 2.2. That the Cabinet delegates to the Service Director Place any necessary change to the collection demographic and area for the trial.

3. REASONS FOR RECOMMENDATIONS

- 3.1 One of the key aims of the project is to give insight into the types and quantities of soft plastics available for collection. The current Knebworth collections partially mimic the 2025 services, however the expansion of the service seeks to gather data from a wider demographic.
- 3.2 North Herts residents' current participation in the trial has yielded good participation levels with high volumes of soft plastics being collected per household. The Shared Waste Service is also gathering information on collection issues and the effectiveness of communication methods. Expanding the project will give the Council an opportunity to further test operational implications of collections, quantities and types of plastic collected from different areas and exploring processing requirements. The expanded trial more closely mimics the new service roll out in 2025.

- 3.3 The expanded trial coincides with the Shared Waste Service undertaking market testing in advance of considering processing options for material from 2025. The additional trial data will inform our future Material Recovery Facility (MRF) contract procurement or extension needs for 2025 and provide data for the wider industry to better prepare for the anticipated mandated collection of soft plastics.

- 3.4 The expansion of the trial is fully funded until April 2025 by the Flexible Plastics Fund.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. Making no changes to the current trial collection numbers. Keeping existing delivery and sorting arrangements means limited information to inform the new services and MRF contract information. There is the possibility that our participation in this high-profile project will end if we are unable to build on capacity data, and a loss of valuable information for 2025 new service arrangements, along with the loss of funding to gather this information.
- 4.2. There are no other reasonable alternative options. The main objective of expansion for the Council is to test options for the 2025 new service collection arrangements and MRF processing capability, which will also inform the future MRF contract at no cost to the council as the project is fully funded.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 The expansion area has not been finalised but demographic compatibility is currently being explored for a number of different wards and the relevant Ward Members have been informed. The Executive Member for Recycling and Waste Management, Cllr Amy Allen and Deputy Executive Member for Recycling and Waste Management, Cllr Tom Tyson, have been consulted in conjunction with Cllr Tim Hoskin, East Herts Council Executive Member for Environmental Sustainability, as part of the Shared Waste Service.

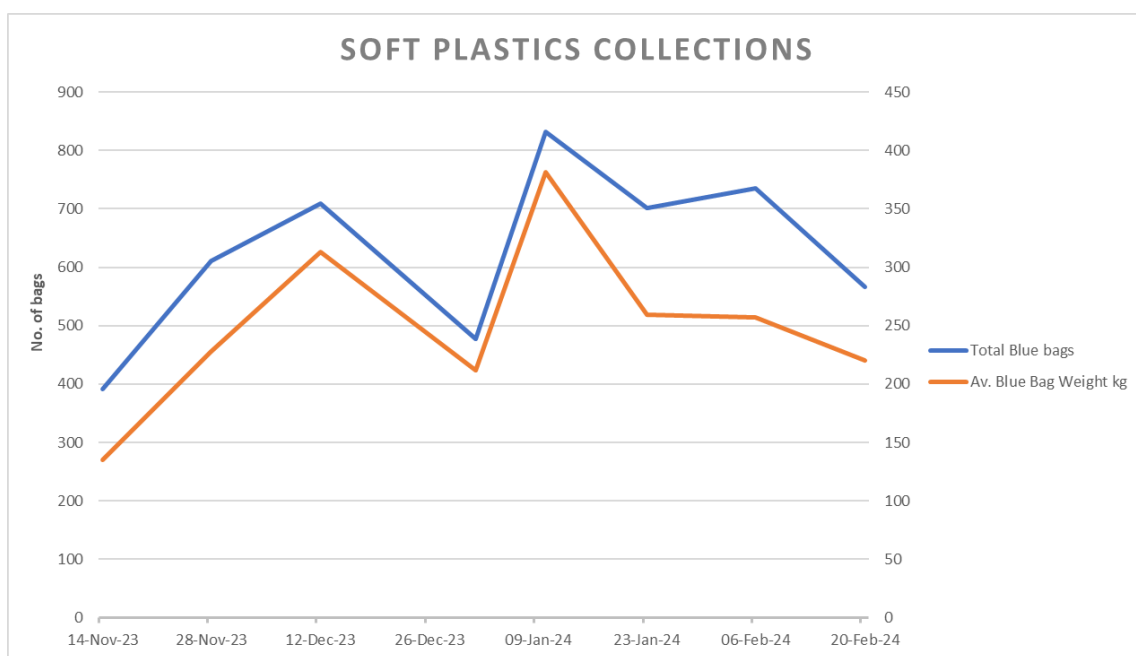
6. FORWARD PLAN

- 6.1 This was notified to the forward plan on 16 February 2024.

7. BACKGROUND

- 7.1. The Flexible Plastics Fund (Future Recycling Ltd) is operating FlexCollect as a nationwide project to trial the collection of flexible soft plastics from households. This service is not currently offered to households as a kerbside collection in North Hertfordshire but has been operating as a small trial in Knebworth since late 2023.
- 7.2. The project is fully funded by the Flexible Plastics Fund to cover all operating costs during the trial's operation and consequently the expansion of this trial is an opportunity to explore further the implications of collecting this material more widely from 2025.

- 7.3. The trial is in partnership with a number of entities (Flexible Plastic Fund, Defra / UKRI's Smart Sustainable Plastic Packaging Challenge (SSPP), our existing collection contractor Urbaser, and MRF contractor Pearce Recycling, with a wider project team which includes WRAP, SUEZ, RECOUP, and Ecosurety working towards the success of this high-profile project across the UK. An interim report has been produced by the partners and is available in Appendix 1.
- 7.4. North and East Herts have been chosen as one of only seven participating Councils in the trial and the Shared Waste Service are keen to expand the trial to further areas to improve the data capture.
- 7.5. The current small-scale trial in Knebworth are using blue collection bags placed out on top of paper boxes for collection. The collected bags are then direct delivered, where they are handpicked from the paper at our Materials Recovery Facility (MRF) for onward processing. Data from our existing trial is contained in the graph below shows the total weight collected each cycle and further data is available in Appendix 2.



- 7.6. The proposed expansion will explore the option of having the collection bags placed in the recycling wheeled bin for collection. The material will be returned to the depot along with all other mixed dry recycling and be collected by our MRF contractor as usual, with the picking/removal of blue bags being done at the MRF. We are keen to test this operating model on a wider scale to consider the practicalities for future collections.
- 7.7. This more closely replicates what may happen for the 2025 services and will provide valuable insight to better understand the operational implications of the collections and processing requirements. Longer term it may be possible to collect the soft plastics loose inside the mixed recycling bin and the trial provides the industry with information on how the material moves through sorting machinery and the types of material that are collected from different demographics.

- 7.8. The timing of the expansion will also support the Shared Waste Service in their market testing in relation to decisions regarding the processing procurement necessary for our new collection services in 2025.

8. RELEVANT CONSIDERATIONS

- 8.1. North Herts is one of only seven collection authorities to be participating in the National FlexCollect trial. This is an important project; it is fully funded and has gathered national industry interest and publicity and was the only project mentioned in a recent Defra report on environmental producer responsibility and the future changes to recycling collections.
- 8.2. The project is supported by data gathering and interpretation, composition analysis, MRF handling approach methodology and end market research to give a wide picture for the industry on the challenges of introducing soft plastic collections across the country for 2027.
- 8.3. The Knebworth trial properties offered a distinct conurbation of standard housing types, where the collections can be undertaken by existing crews on established rounds. The initial pilot collected soft plastics from on top of paper boxes with the completed collection loads being delivered directly to the MRF processor in St Albans. This made the operations efficient and cost neutral for our contractor.
- 8.4. Whilst valuable, this approach does not wholly mimic the new services methodology due in 2025, and the Shared Waste Service wish to expand with more households where participation and operational methodology can be adapted to mimic potential operational practice for the new services 2025.
- 8.5. Both our collection contractor and receiving MRF have been enthusiastic about the trial. Collections data and processing approaches have been tested and to date no issues have been encountered from either party. The Project funder has also been pleased with collections to date, in particular the weight of bags being collected.
- 8.6. The first collection took place on 14th November. A total of 391 bags of soft plastics were collected during the first collection. The following collection netted 611 collections. Allowing for Christmas interruptions, which residents may have been confused about the operational dates for the trial or less diligent in separating out waste, the number of bags each week has been good with an average of 628 bags being presented each collection. This has been a good participation rate for early collections, and we are keen to see the impact that further communications have on this.
- 8.7. The average weight of North Herts soft plastics collection bags is double the weight of other project participant areas, showing how keen residents are to participate and the diligence which they are taking to separate out the material for collection. The average weight of collections each week from the trial is 251kg with each bag on average weighing 0.4kg.

- 8.8. Observations on the ground during collections has revealed less contamination of our mixed dry recycling materials than usual in the dry recycling wheelie bins, this is a very positive observation in advance of the 2025 service changes.
- 8.9. Communication from residents has been positive, with the collections well received, and orders for additional bags have started coming in, in the initial trial area demonstrating that residents are keen to continue their participation in the service.
- 8.10. Scaling up the trial will better replicate the 2025 services and provide valuable insight to better understand the operational implications of the collections and processing requirements and inform our future MRF contract procurement or extension needs for 2025. Additionally, the inclusion of the data in this high-profile project will assist the wider industry to better prepare for the anticipated mandated collection of soft plastics.
- 8.11. Options regarding the expansion area are currently being tested for demographic compatibility for the trial and operational efficiency. It has been necessary to meet a specific demographic make up in order for the trial to be representative and also to ensure available processing capacity at the MRF.
- 8.12. Ward areas being considered include Royston, Baldock, Arbury, Hitchwood Offa & Hoo, but will not cover the whole towns where these are on different collection weeks for recycling and will be finalised in the coming weeks. Communications are targeted to individual households and we do not anticipate this being a problem

9. LEGAL IMPLICATIONS

- 9.1 The Executive member for Recycling and Waste Management has overall responsibility for leadership, strategic planning and development, partnership working and decision making. In the exercise of their functions within the service area.
- 9.2 TOR 14.6.17 (o) of the Council Constitution, states that each Cabinet Executive Member is responsible for; *“approving use of specific grants and/or funding from non-governmental sources, and any annual delivery plans and agreements in relation to such funding.”* 14.6.17 (q) states that they are responsible for; *“the continuous improvement of the Council’s services through a programme of work.”*
- 9.3 The trial is expanding from one ward to three wards and as a consequence the decision to expand is now a ‘key’ decision.
- 9.4 Following the decision taken by Cabinet on 25 October 2022, item 4 ‘Future Service Design of Waste, Recycling and Street Cleansing Services, resolution 12, this trial is a precursor to the introduction of kerbside soft plastics collections in 2025. By participating in the trial, data and information can inform new service 2025 roll out and soft test methodologies. The trial has full cost recovery and no risk. The operational elements of the decision fall to the Service Director and to the extent this is a follow-on decision of Cabinet from 25 October 2022, this falls to the Executive Member for Waste and Recycling.
- 9.5 A Collaboration Agreement is already in place between the Council and Future Recycling Ltd and no changes are required to this agreement.
- 9.6 There are no other legal implications arising from the report.

10. FINANCIAL IMPLICATIONS

- 10.1. The financial implications of the trial expansion are nil. The full cost of the trial is funded by DEFRA UK Research and Innovation (UKRI) SSPP, and the Flexible Plastic Fund (FPF), costs will be managed directly with Future Recycling UK. Internal resource costs are low, as data gathering, sampling and project oversight are all conducted by the project sponsor.
- 10.2 There are no specific capital implications.
- 10.3 Following the announcement from Defra that soft plastics collections would be required for all households by 2027. Defra has confirmed there will be no further time extension to the trial and funding will cease in April 2025. The funding agreement in place to April 2025 covers all costs of the soft plastics collections as proposed.
- 10.4 This will mean a potential gap of 4 months before the start of the new service to all households around August 2025. It is anticipated that the Council would wish to not have a break in service and therefore the processing needs will be considered alongside the decisions regarding the next stage of the Materials Processing Contract.
- 10.5 Final collection methodology for 2025 is not yet clear but should a continuation of sack collections be required for the trial area, prior to the introduction of the new services, there is limited financial risk arising from the cost of collection bags during this time. It is hoped that stocks of bags from trial supplies will be available, and only a small number of collection bags may need to be purchased, bag costs are currently £53 per 1000. There are no other resource or operational cost implications during this period.

11. RISK IMPLICATIONS

- 11.1. The project is designed to provide data and information on participation rates, capture rates, tonnage information and processing capabilities, all of which provide valuable insights ahead of 2025 service changes. Expanding the existing trial focusses on streamlining the collection from the recycling wheeled bin, which better represents the new recycling services 2025 collection arrangements.
- 11.2. The risk of not expanding the participation numbers means going into 2025 with no soft testing of collection from wheeled bins to iron out possible operational issues.
- 11.3. Not expanding would also be a loss of opportunities to test new contract MRF capabilities for handling of the soft plastics materials.
- 11.4. Any risk that may arise in unforeseen operational challenges would already exist in existing collection operations (weather, strikes, covid).
- 11.5. There is a small risk associated with increased MRF processing contract costs in 2025 due to processing soft plastics from April 2025 rather than from August 2025 but these risks exist based on the new services and soft plastics tonnages would be from a small proportion of the households. It is not possible to identify this risk while the market is still determining the processing requirements since the government announcement. There are some potential advantages of being an 'early adopter' of soft plastics with MRF contract bidders having clarity over our material types, quantities and composition.

12. EQUALITIES IMPLICATIONS

- 12.1. All operational services are available to the trial area participants and will continue to receive standard services as usual. If any resident is designated as an assisted collection property, the trial materials will be collected under assisted collection contractual requirements, so all services provision remains the same.
- 12.2. There are no equalities implications.

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 negative impacts.
- 14.2. The positive impacts of the trial have been increased awareness around plastics recycling, in particular single use items which are predominantly soft plastics. There is a greater understanding of potential advantages of collection, handling, and end markets for a difficult but often requested material for recycling. These are single use plastics and the recycling of them will decrease litter and reduce resource use as recycling these soft plastics saves materials going for residual waste disposal. All these things prime us and markets for effective soft plastics collection and recycling / recovery ahead of 2025.
- 14.3. All material collected as part of the trial are being diverted from the residual waste stream and therefore reducing material being sent to landfill/Energy from Waste. Material processing is part of the wider trial and the end destinations will vary whilst processing options are being tested, all material is being process tested in the UK.

15. HUMAN RESOURCE IMPLICATIONS

- 15.1. The project is being managed within existing resources with any additional resources funded by the project. We do not anticipate any impacts on existing resources; the initial set up resource requirements are considered manageable within the existing team resources.

16. APPENDICES

- 16.1. Appendix 1 – FlexCollect Interim Report
- 16.2. Appendix 2 – FlexCollect initial trial data

17. CONTACT OFFICERS

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18. BACKGROUND PAPERS

18.1 *Record of Decision – FlexCollect Trial 19 October 2023*



Flexible Plastic Fund FlexCollect Project

Interim report

Produced on
behalf of the

Flexible
**Plastic
Fund**



The Flexible Plastic Fund FlexCollect Project is funded by:



Brands supporting the Flexible Plastic Fund:



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Executive summary

Flexible plastic packaging – from bread bags to crisp packets, confectionery wrapping and food pouches – is currently not commonly collected by local authorities in the UK. However, the revised UK Packaging Extended Producer Responsibility (pEPR), Simpler Recycling for England and similar proposals for the Devolved Authorities require the collection of these packaging types by March 2027.

Current estimates show that over 215 billion items of flexible plastic packaging, equalling 895 thousand tonnes, is placed on the market each year in the UK. Less than 15% of all waste collection authorities **collect flexible plastic packaging**¹ (FPP) and those who do predominantly offer a limited service.

A project consortium, including SUEZ recycling and recovery UK, WRAP, RECOUP and Ecosurety, have joined forces to trial the kerbside collection of flexible plastic packaging across nine waste collection authorities over three years.

This innovative project will help industry and government understand how a flexible plastic packaging collection service can be implemented across a range of collection systems, population densities and socio-demographics.

This project is funded by both industry and government, with contributions from the Flexible Plastic Fund, Defra, UK Research and Innovation's Smart Sustainable Plastic Packaging Challenge delivered by Innovate UK, and Zero Waste Scotland.

The Fund was established in May 2021 by five founding partners: Mars UK, Mondelēz International, Nestlé, PepsiCo and Unilever. Partners of the Fund now include Abel and Cole, Eat Real, Ella's Kitchen, Kiddylicious, Koninklijke Douwe Egberts, KP Snacks, Lotus Bakeries, McCain Foods, Natural Balance Foods, Ocado Retail, pladis, Proper Snacks, The Collective, Vitaflo and Yeo Valley Organic.

This report shares the project findings at the midpoint of the trial. At the time of writing, seven waste collection authorities have launched the trial collection service for flexible plastic packaging across a subset of houses.

¹ <https://www.recoup.org/research-and-reports/uk-household-plastic-packaging-collection-survey-2022>

Figure one • Summary of waste collection authority pilots

Pilot and launch date	Area type	Pilot size (households)	Service type	Material collected	Collection method
Cheltenham October 2022	Urban, low deprivation	3,154	Fortnightly source segregated	All flex	Clear/blue printed collection bags in with rigid plastic and cans / any container
South Gloucestershire October 2022	Suburban, mixed low deprivation	1,955	Weekly source segregated	PE and PP only	Clear/blue printed collection bags in with rigid plastic and cans
Maldon January 2023	Rural, low deprivation	7,719	Fortnightly twin stream, glass separate	All flex	Purple printed collection bags, collected on separate vehicle
Somerset May 2023	Rural, medium deprivation	3,641	Weekly source segregated	PE and PP only	Blue printed collection bags collected alongside cans and plastic
Newcastle City June 2023	Urban, high deprivation	7,232	Fortnightly twin stream (240l wheeled bin with insert for glass)	PE and PP only	Blue printed bags collected alongside plastics, cans and fibre in blue wheeled bin via split back refuse collection vehicle (RCV)
Re3 – Reading September 2023	Urban, low deprivation	4,100	Fortnightly comingled (240l wheeled bin), bring bank glass	PE and PP only	Blue printed bags collected alongside plastics, cans and fibre in red wheeled bin via single compartment refuse collection vehicle (RCV)
North Herts November 2023	Suburban, low deprivation	2,174	Fortnightly twin stream with paper separate in a box	PE and PP only	Blue collection bags presented in, on top of or next to their paper box

Key findings

A consistent set of data and method of collection has been implemented across all pilot authorities. In all instances, the trial has provided participating households with a bag to collect the flexible plastic packaging. The bag enables granularity of data and facilitates the separation and consolidation once collected.

In all cases, flexible plastic packaging collections have been added seamlessly to existing collection services.

Although flexible plastic packaging is voluminous, the collection bags are able to withstand significant compaction and there have been no reported capacity issues in refuse collection vehicles or resource recovery vehicles.

A key point to explore in the second half of the trial is whether collections can be moved away from bags in some collection systems.

Figure two • Operational data key findings

Parameter	Data
Average weight presented by participating households per collection bag across all pilots	291g
Average weight collected per household per week across all pilots ²	84g
Bags collected per household per week across all pilots	0.29
Bags collected per household per week for weekly collections	0.46
Bags collected per household per week for fortnightly collections	0.17
Industry standard participation across monitored pilots	60%
Industry standard participation across weekly collection pilots	64%
Industry standard participation across fortnightly collection pilots	47%

² Average weight collected per household per week across all pilots is a measure including all households within the trial area who are eligible to participate, not just those who are participating.

Doorstep research

Doorstep research was conducted to understand resident awareness of and satisfaction with the trial service and associated communications.

A combination of effective communications and availability of collection bags are essential to achieving and maintaining good participation and performance levels. The distribution of both communications and collection bags has to be comprehensive for services to achieve good performance levels. The availability of bags and the ease of obtaining more are also key determinants of good long-term performance.

Further work into the frequency of communications and bag replenishment is required to make further conclusions.

The findings of the doorstep research are summarised here.

Figure three • Doorstep research key findings (%)

	South Gloucestershire	Newcastle	Cheltenham	Maldon
Aware of pilot	95	89	76	68
Received comms	93	77	73	56
Received bags	95	91	43	75
Received comms and bags	91	76	41	54
Recycling 1+ item in pilot (all households)	81	65	42	42
Recycling 1+ item in pilot (received comms and bags)	85	74	93	71
Very / fairly satisfied with pilot (those participating)	96	95	96	89
Service very / fairly well communicated (those receiving all comms)	91	89	98	85

Composition and end markets

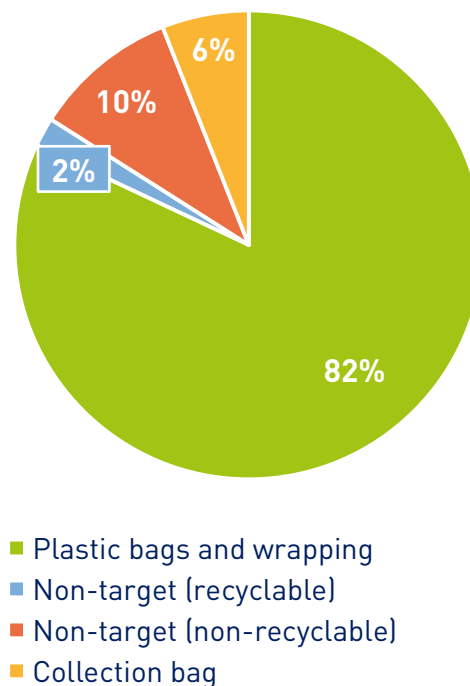
Material composition was analysed across each pilot authority collection area. The overriding observation across all analyses is that the flexible plastic packaging material collected is largely target material and is predominantly clean. The overall composition of the flexible plastic packaging is shown here in figure four.

The availability of effective sorting infrastructure is currently a barrier to widespread collection and reprocessing of flexible plastic packaging. This is a known challenge related to the current lack of collections and reprocessing infrastructure

Reprocessing trials have started with encouraging results but have been limited by the amount of material collected. The pace of this project will increase with the expansion of the pilots and more material being collected enabling more expansive sorting and recycling trials.

As collections, sorting and recycling trials are still being undertaken and the process 'industrialised', we have chosen not to include costs in this report at this time. Costs for different collection and sorting options are a key area of work for the second half of the project.

Figure four • Flexible plastic packaging composition (%)



Next steps

A further two pilot authorities are set to join the project in early 2024. Following these, the focus will be on expanding the trials within each pilot authority to representative communities. As it stands, all pilots are set to expand from a few thousand households to tens of thousands, bringing collections and sorting learning at scale.

Additional rounds of data collection will commence across the expanded trials and further composition work will be undertaken.

As more material is collected, further end market options will be tested and the project will begin to establish the framework for understanding cost per tonne of collections, sorting and reprocessing.

Introduction

It's estimated that over 215 billion items of flexible plastic packaging are placed on the market in the UK each year, amounting to **around 895,000 tonnes**³. Less than 15% of UK waste collection authorities collect any form of **flexible plastic packaging (FPP)**⁴ and many only collect a very small subset of the range of packaging types available.

The Flexible Packaging Consortium⁵ estimated the following breakdown of packaging materials, items and tonnes.

Figure five • Packaging items, materials and tonnes

Type	Tonnes	Number of packs	Share of materials
PE mono	~430,000	~105 billion	48%
PP mono	180,000	~42 billion	20%
PE/PP mix	~15,000	~4 billion	2%
Metalised layer with plastic	~60,000	13 billion	7%
Aluminium layer with plastic	~120,000	31 billion	13%
All other forms of flexible plastic packaging	90,000	20 billion	10%

UK Government has proposed a new Packaging Extended Producer Responsibility (pEPR) system and Simpler Recycling which will require a target list of packaging items to be collected from households and businesses. This list includes a range of flexible plastic packaging items which must be collected at kerbside by March 2027.

³ www.suez.co.uk/en-gb/news/210219-leading-household-brands-join-forces-to-tackle-flexible-plastic-packaging-recycling-in-the-uk

⁴ www.recoup.org/research-and-reports/uk-household-plastic-packaging-collection-survey-2022

⁵ www.suez.co.uk/en-gb/news/210219-leading-household-brands-join-forces-to-tackle-flexible-plastic-packaging-recycling-in-the-uk

In a number of European Countries, flexible plastic packaging is commonly collected, sorted and recycled. In these countries, the value chain supporting collection and sorting has developed and matured and the system is working effectively.

In contrast, in the UK, there is a lack of collections of flexible plastic packaging and the value chain is immature. There is also limited information on how effectively households could separate these items for collection for recycling, and how the value chain would need to develop to accommodate the sorting and treatment of flexible plastic packaging items.

Trials are intended to push boundaries to see where failures do or might occur and the learnings from challenges experienced during the trials will be harnessed to optimise the future widespread roll out of collections of flexible plastic packaging for recycling.

Project partner roles and responsibilities

Flexible Plastic Fund

Majority project funder.

SUEZ recycling and recovery UK

Project delivery, recruitment of waste collection authorities, work programmes, project management and data collation.

Recoup

In-kind funding contribution, materials testing and end markets.

WRAP

In-kind funding contribution, design and management of householder communications of the trial services, data collection, validation and local authority selection.

Ecosurety

Part-funder, managing Flexible Plastic Fund funding, the Innovate UK project, external project communications and payments to pilot authorities for services delivered.

Defra, UK Research and Innovation's Smart Sustainable Plastic Packaging Challenge Fund, delivered by Innovate UK (UKRI SSPP) and Zero Waste Scotland

Funders.

Defra, Zero Waste Scotland, and the stakeholder panel (including CIWM, ESA, LARAC and others from across the sector)

Review progress and data, provide feedback and guidance to the project team.

Pilot waste collection authorities and their contractors

Work with SUEZ, Recoup and WRAP to design and deliver kerbside collections of flexible plastic packaging, to offer insights on trial data using their skills and knowledge, and to provide peer support to other authorities.

Pilot waste collection authorities

- + Cheltenham Borough Council
- + South Gloucestershire Council
- + Maldon District Council
- + Newcastle City Council
- + Somerset Council
- + Reading Borough Council
- + North and East Hertfordshire Council
- + Bracknell Forest Council

Waste collection and disposal contractors supporting the local authority pilots

- + SUEZ recycling and recovery UK
- + J&B Recycling
- + FCC Environment
- + Pearce Recycling
- + Urbaser
- + Essex Reclamation

Brands supporting the Flexible Plastic Fund

Abel & Cole
Easy Organic Everything

Eat Real

Ella's
kitchen

JDE
JACOBS DOUWE EGBERTS

KIDDYLICIOUS

KP Snacks

Lotus
Since 1932

MARS
Tomorrow starts today

McCain
We are family

Mondelēz International
SNACKING MADE RIGHT

natural balance foods
WHOLEFOOD WONDERS

Nestlé

Cocado

PEPSICO

pladis

PROPER

COLLECT FIVE

Unilever

VitaFlo
Enhancing Lives Together

Yeo Valley ORGANIC

Objectives

With the volume of flexible plastic packaging placed on the market and the limited collections currently undertaken, the Flexible Plastic Fund approached SUEZ to design a trial to deliver the following outcomes:

- + Determine arisings per household that could regularly be put out for recycling.
- + Determine likely participation rates across a range of different local authority types, taking into account population density and socio-economic factors.
- + Determine how to effectively communicate to households the types and range of flexible plastic packaging that can be collected.
- + Determine options for the co-collection of flexible plastic packaging with other packaging formats and material types.
- + Experiment at an approximate 5% of household level before expanding participation in selected waste collection authorities, using the learnings from the experimental stage to scale up collections.
- + Use the weight of collected items to determine likely volumes arising from different household types and to identify socio-economic factors that may impact on collection and putout rates.
- + Collect sufficient materials for sorting and recycling trials (both mechanical and chemical recycling) to provide evidence of the opportunities and challenges that may arise when collections are rolled out nationally.
- + Provide information on costs for collecting, sorting and recycling to inform the modulation of packaging cost profiles and the design of an efficient and effective extended producer responsibility system.

The scope of the project was discussed and refined with Defra, WRAP and Recoup before an application was made to UK Research and Innovation's Smart Sustainable Plastic Packaging Challenge Fund for funding support. Approximately two thirds of the costs of the FlexCollect project are supported by the Flexible Plastic Fund and the remaining third by funding from Innovate UK, Defra and Zero Waste Scotland.

The original three-year project timeline was designed to integrate with the then proposed commencement of extended producer responsibility funding in early 2025. The impact of delays to the commencement of the packaging extended producer responsibility funding system on the project are currently being analysed at the time of writing this report.

Data gathering

Methodology

A consistent methodology for generating and gathering data was established across the pilot authorities to create consistency of data whilst accommodating the resources and capabilities of individual authorities. There have been some disruptions to data collection due to adverse weather, operational issues and industrial action.

The goal was to achieve Defra data standard requirements, in order to calculate data on participation across three consecutive collection cycles twice per year. To achieve this, bags were collected at each depot over a collection cycle and compared to the number of houses in the trial area.

As pilot authorities commence the trial service at approximately 5% of households, all bags collected across the collection cycle were counted. As trials expand the number of households involved, the counts will move towards representative subsets rather than the whole number.

Where possible, materials were isolated for each cycle and by round so that comparisons between the different housing types and socio-demographic groups could be made.

This was not possible on all trials due to operational constraints, such as space limitations or the requirement to bulk material at a transfer station prior to removing the bags.

Participation

As a proxy for participation and to complement actual participation surveys, a weekly set-out rate monitoring system has been established. This applies the total number of bags collected over the collection cycle to the number of households in the trial area. For example, if 40 bags were collected from 100 properties then the proxy calculation would indicate a 40% participation rate for that cycle.

This proxy for participation accounted for different collection cycles. For example, a household with an opportunity to present weekly and who presents once every two weeks (or three depending on the cycle) would be classed as participating in the same way as a two-weekly cycle household presenting each fortnight.

Figure six • Data gathering methodology

Collection frequency	Bags presented	Presentation frequency	Participation proxy
Weekly	1	Weekly	1
Weekly	1	Fortnightly	0.5
Fortnightly	1	Fortnightly	0.5
Fortnightly	2	Fortnightly	1

The limitation of this methodology is that it does not account for households presenting multiple bags per cycle. Similarly, participation is defined as presentation of material once within three collection cycles, therefore the data gathered at the depot can only be applied to a single collection cycle.

To mitigate these limitations, the additional collection of participation data to Defra's standards was conducted at the kerbside in partnership with Resource Futures. Kerbside presentation was monitored in South Gloucestershire, Somerset and Maldon. The teams monitored participating households over three consecutive collection cycles. 1,589 properties were monitored in South Gloucestershire, 1,610 in Somerset and 3,361 in Maldon.

Further kerbside monitoring is planned in 2024, however this will be limited to the areas where flexible plastic packaging is presented external to co-mingled collection containers. Where bags are presented inside co-mingled collection containers, kerbside monitoring is not possible.

Weight

Bag weights were monitored at the same time as bag counts were undertaken. Calibrated scales were supplied to each trial to determine the total weight of bags. The total weight was then divided by the number of bags counted, to calculate an average bag weight and an average weight of material presented per household (participating or not).

Volume

The volume of collected flexible plastic packaging material was not measured consistently across the pilots due to variations in the approach to collection and compaction. However, the volume of an individual bag was measured as 15 litres or 0.015m³ (weighing approximately 300g).

To make a 500kg bale, approximately 1,650 bags are required (assuming an average bag weight of 300g). Uncompacted, this quantity of bags would take up approximately 25m³, roughly equivalent to the capacity of a 35-yard skip.

The ability of collection bags to be compacted is significant. There have been no reported capacity issues in refuse collection vehicles or Romaquips, as bags compact in both vehicles.

Some trials are able to increase the capacity of holding skips by compacting bags with heavy machinery (loading shoves, grabs, etc). For example, for Newcastle's material, J&B Recycling have compacted ~4 tonne of material into a 35-yard skip, producing eight bales weighing approximately 500kg. These figures will include some water weight where the skip is stored outside prior to baling.

Further work is required over the remainder of the project to effectively account for the impact of operational sites on the volume of material required to be stored before baling can occur. The key conclusion at this stage is that significant space is expected to be required to store collected material prior to baling.

Costs

A clear budgetary monitoring framework was established for each pilot authority, allowing costs at each stage of the trial to be understood.

Costs for the trials covering 5% and 25% of households were expected to be higher per bag or per tonne collected, than for a universal service. Although consolidation bags have been used in all collections so far, the cost of bags and alternative consolidation methods are being considered in the scale up process, to see if trials of loose collections may be possible.

One limitation to this change is the lack of sorting infrastructure in the UK, which was anticipated given flexible plastic packaging items have not and are not currently targeted for collection, sorting, or recycling. This has and continues to be a clear limitation for the trial to experiment with other collection techniques.

Similarly, end market tests for sorting and recycling have been limited by access to appropriate facilities in the UK and the generation of available tonnage for large scale tests. As more trials have commenced and the number of households involved increases, it has been possible to send 20 tonne sample sets to operators for trials and as more trials expand, it is anticipated that larger sorting and recycling trials will be possible.

Costs for trials of materials require operators to implement non-standard procedures at their sites and, as such, costs incurred are not those expected for long-term standard operating costs for sorting and processing flexible plastic packaging materials.

Given the early stage and limited scale trials underway at the time of writing, no sorting and recycling costs have been included. These will be presented in the project final report.



Pilot overview

More than 50 waste collection authorities contacted SUEZ expressing interest in participating in the project.

Each waste collection authority was taken through a review process that comprised:

- + An assessment of their demographic profiles, their current dry recycling collection methodology and the potential to expand a trial in accordance with the expected expansion targets.
- + Dialogue with their operational partners (in-house or contracted) on collections, roll out, sorting and handling of the materials collected.
- + Discussions around the cost of delivery and expansion.

Based on these discussions, a shortlist of waste collection authorities was agreed by the project partners for rollout. Each waste collection authority was contracted to deliver their components of the trial and to receive payments and support for delivery.

The current set of pilot authorities is listed in figure seven together with the headline determinants of their demography, their collection system, chosen target material and planned expansion profile. It was originally intended to recruit nine waste collection authorities in three distinct phases, the first (pioneer) with the intent to operate for three years and expand participation each year, the second and third (industrialisers) would also expand but to a lesser extent than the first phase.

In a number of instances, trials did not proceed due to insufficient capacity at the transfer or sorting stations. One area where the trial has developed understanding, is the amount of space the uncompacted collected flexible plastic packaging materials occupy and the amount of flexible plastic packaging required to make one bale of material. Space for storage pre-baling is a key aspect of operational learning that will be a focus for expansion and a design matter for rollout at a national level.

Local authority selection

Following initial screening of interested waste collection authorities, appointment was determined by a combination of their demographics and their collection service type.

The trial aimed to accommodate a representative range of demographics and service types to create an evidence base that would be relevant to most waste collection authorities for learning and good practice.

Coverage was achieved across a range of urban, rural and suburban waste collection authorities, with deprivations (for the selected trial areas in each waste collection authority) ranging from low, through medium to high.

Collection methods varied from source segregated on a weekly or fortnightly basis to multi-mingled and fully co-mingled.

Operational considerations

Details of collections

At the approximate 5% of households level, collections are being made using plastic bags provided to each participating household. Each bag is specifically labelled for the trial and most are blue in colour for ease of recognition. Where blue is not used, this has been particular to a pilot authority where similar blue bags were already in use. Gauge (thickness) of bag was determined by collection method, with the thickest bags generally used in co-mingled collections where compaction of collected materials was undertaken. When undertaking compositional or weight testing, the presence or weight of the bag was taken into account.

Material type

Householders were asked to present one of two sets of materials:

- All flexible plastic packaging (two trials currently, with one further planned).
- Flexible plastic packaging comprised of PE and PP polymer types (the remainder of the trials).

In both instances, householder communications sought to identify the packaging types (bread bag, etc) using simple and commonly known language and groupings (e.g. confectionery wrappers). Compositional analysis was used to check compliance with the material specification.

Details of pilots selected

Figure seven • Waste collection authority pilots



Cheltenham Borough Council

The trial launched in October 2022 with 2,072 households. Residents were provided with a clear collection bag and asked to present it alongside their recycling in an existing recycling box. The bags were collected by crews in the top compartment of the Romaquip vehicle, together with plastics and aluminium and steel cans. Additional compartments were also trialled, including the paper compartment (using hessian sacks to divide) and the locker compartment. Both were found to have limited capacity for the flexible plastic packaging.

At the depot, trucks tip the mixed plastics, cans and flexible plastic packaging in a separate bay. The material is then batch processed with bags removed over a processing line. Flexible plastic packaging material is stored in a skip on site until enough is collected to bale. In September 2023, the trial was expanded, taking the total to 3,156 households. For the expansion, blue bags were used to aid the sorting process.

South Gloucestershire Council

The trial launched in October 2022 with 1,995 households. Similar to Cheltenham, residents were provided with a clear collection bag and asked to present in an existing recycling box. The bags were collected in the top compartment of the Romaquip with plastic and cans and tipped in a separate bay at the depot. The trial later switched to blue bags to aid sorting.

There is no processing line at the depot, so the flexible plastic packaging material is removed manually by operatives using litter picking equipment. On expansion, the mingled cans, plastics and flexible plastic packaging material will be bulked at the depot and picked at the materials recycling facility.

Maldon District Council

The trial launched in January 2023 with 7,817 households. Residents were provided with a purple collection bag and asked to present flexible plastic packaging material alongside their other recyclables. Maldon collect co-mingled material (excluding glass) in a disposable pink bag.

A separate pass collection was tested in Maldon, using a two-person crew and cage tipper vehicle. Although collected separately, bags are presented on the same day as other recycling collections to give flexibility to collect the bags alongside other materials in the future.

Material is tipped separately at the materials recycling facility and baled. Flexible plastic packaging collections will be collected in the refuse collection vehicle when the project expands in 2024.

Newcastle City Council

The trial launched in June 2023 with 5,036 properties in the eastern part of the city. Households were provided with a collection bag and asked to present this inside their co-mingled bin for later separation at the materials recycling facility. Material from the trial routes is tipped and bulked separately at the transfer station, allowing it to be batch processed at the J&B Recycling materials recycling facility in Hartlepool.

The trial expanded in October 2023 to a new total of 7,676 properties, maximising the capacity of the bulk transport between the transfer station in Newcastle and the materials recycling facility in Hartlepool.

Somerset Council

The trial launched across six collection routes in Frome in May 2023, totalling 3,641 households. Similar to the other source segregated collections, bagged flexible plastic packaging is collected alongside cans and plastics in the Romaquip and later removed over a processing line at the depot in Evercreech.

Reading Borough Council

Reading Borough Council commenced collection in September 2023, with 4,100 households in the city centre being asked to present bagged flexible plastic packaging in their co-mingled bin. The collection bags are later removed over a processing line at the re3 materials recycling facility operated by FCC Environment.

North and East Hertfordshire Council

The North and East Hertfordshire service launched on 14 November 2023 with 2,174 households in the village of Knebworth.

Three routes from Knebworth were selected for their proximity to the Pearce Recycling materials recycling facility in St Albans, allowing material to be direct delivered and isolated through the process. Bagged flexible plastic packaging is collected alongside paper in the split-back vehicles and removed manually on site. Bags will also be trialled in the cans, plastics, cardboard and glass compartment of the vehicle.

Bracknell Forest Council

The service in Bracknell is scheduled to launch in Q1 2024 with up to 10,000 households. The bagged flexible plastic packaging will be collected in the co-mingled bin and later removed at the re3 / FCC Environment materials recycling facility.

Pilot authority 9

Planning and development work for the ninth and final trial is underway and it is expected to launch in Q1 2024.

Initial findings

Cheltenham

Two distinct housing areas were selected to be part of the project, the Benhall estate and the Wymans Brook estate. Several Romaquip vehicles carry out the collections in each estate, though not all the households visited by those vehicles are included in the trial, so the two distinct areas were compared rather than the rounds.

Benhall is a suburbanite residential estate consisting of detached houses and bungalows, whereas Wymans Brook features more urbanite and hard-pressed living properties, featuring smaller, semi-detached two and three-bed family homes. As a result, participation was expected to be higher among Benhall Residents. This is reflected in the data here, with the average participation rate for Benhall at 32%, compared to Wymans Brook’s 17%.

Cheltenham is currently undertaking a second phase of data collection to coincide with a small expansion in households from 2,072 to 3,156.

Using census data, SUEZ mapped the individual rounds and participating households against ONS datasets⁶ for very local social demographics. This analysis will provide deeper insight to participation by demographic characteristics and conclusions will be analysed later in the project.

Figure eight • Total bags collected, Cheltenham

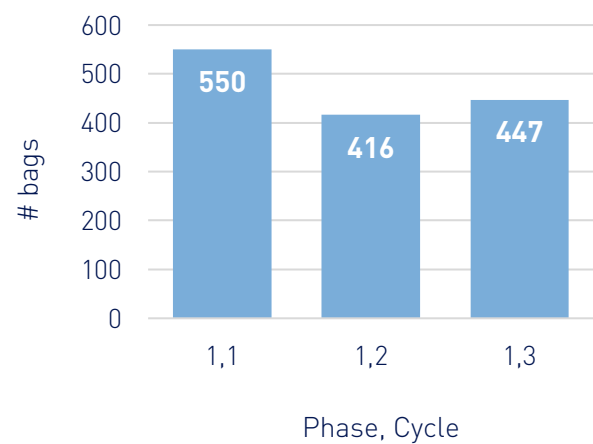


Figure nine • Bags collected per area, Cheltenham

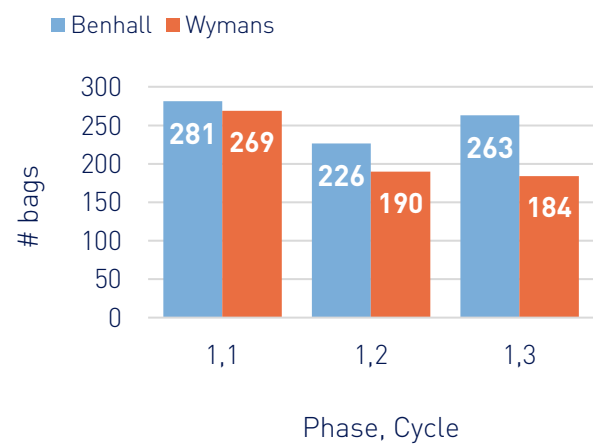
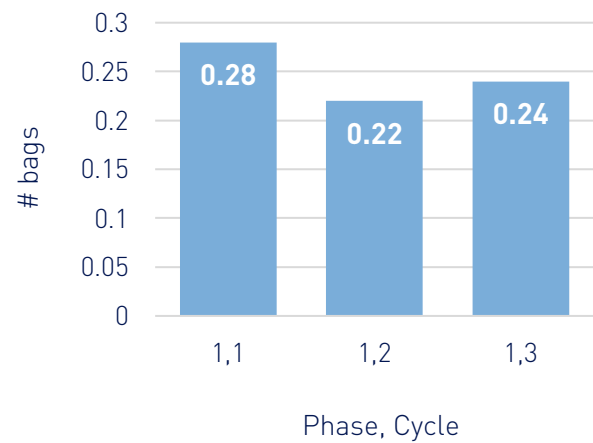


Figure 10 • Average bags collected per household, Cheltenham



⁶ <https://data.cdrc.ac.uk/dataset/output-area-classification-2011>

Figure 11 • Average bags collected per household per area, Cheltenham

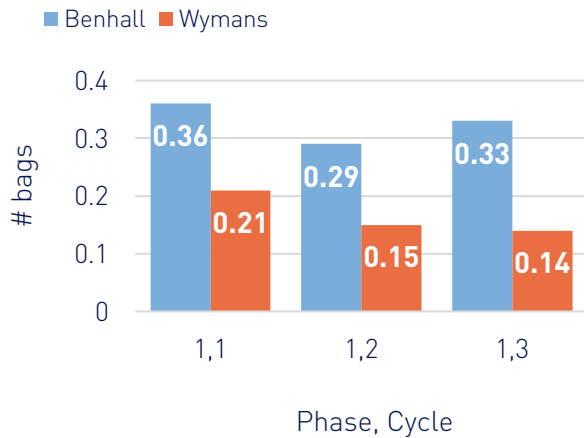


Figure 14 • Average bag weight (g), Cheltenham

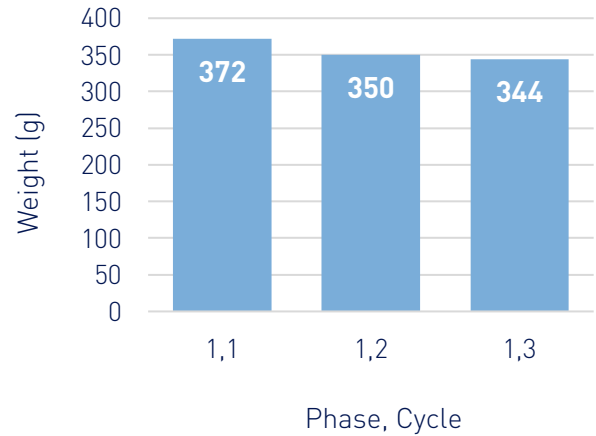


Figure 12 • Total weight collected (kg), Cheltenham

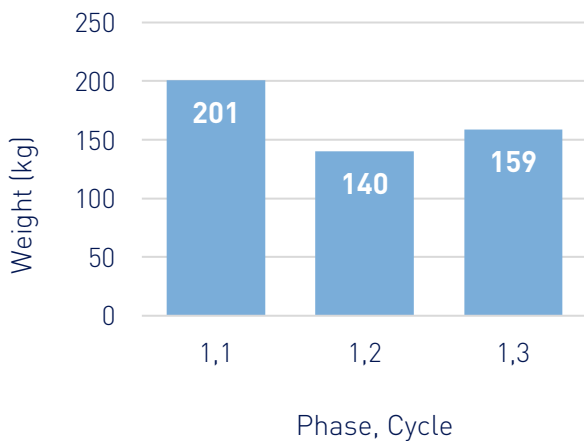


Figure 15 • Average bag weight per area (g), Cheltenham

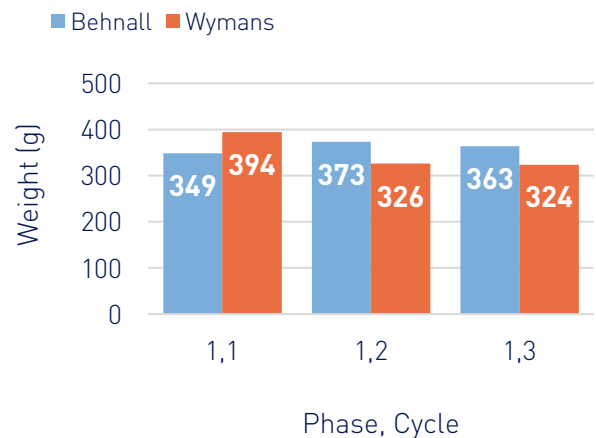


Figure 13 • Total weight collected per area (kg), Cheltenham

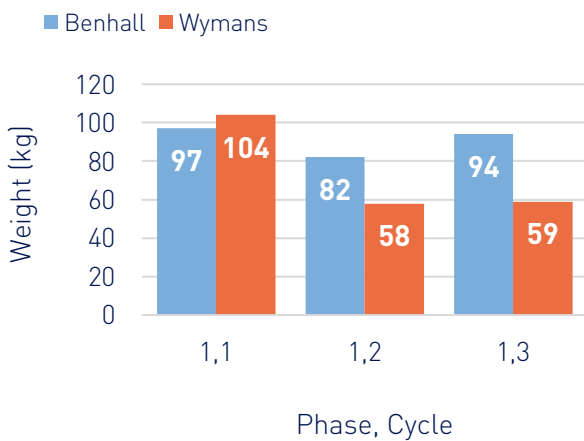
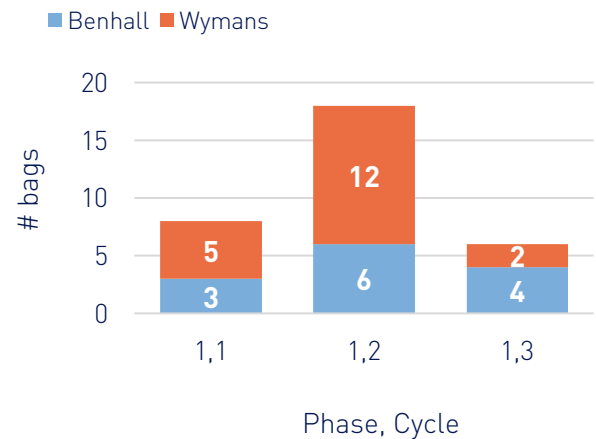


Figure 16 • Contaminated bags rejected at processing per area, Cheltenham



South Gloucestershire

Two phases of data collection have been completed with a consistent participation rate of 42%. There are three distinct trial routes, selected to provide a good representation of the wider district:

- + YK9 Thursday is based in and around the village of Olveston. Properties are classified as predominantly suburbanites (46%), followed by rural residents (33%) and hard-pressed living (21%).
- + YK9 Friday is based in Chipping Sodbury. Properties are classified as suburbanites (99%).
- + YK11 Friday is based in Bradley Stoke, north Bristol, and features 100% urbanite properties.

Participation rates are comparable across the three routes, with 44% across both YK9 Thursday and Friday. Overall participation across the YK11 Friday route was 38%. However, this route was the only one to see an increase in participation across the two phases (6% increase).

Individual socio-demographic categorisations have been taken from the census and combined with local data to understand whether different socio-demographic groups participate more or less with the trial.

An initial analysis has been carried out, though more detailed work is underway and conclusions will be analysed later in the project.

Figure 17 • Total bags collected, South Gloucestershire

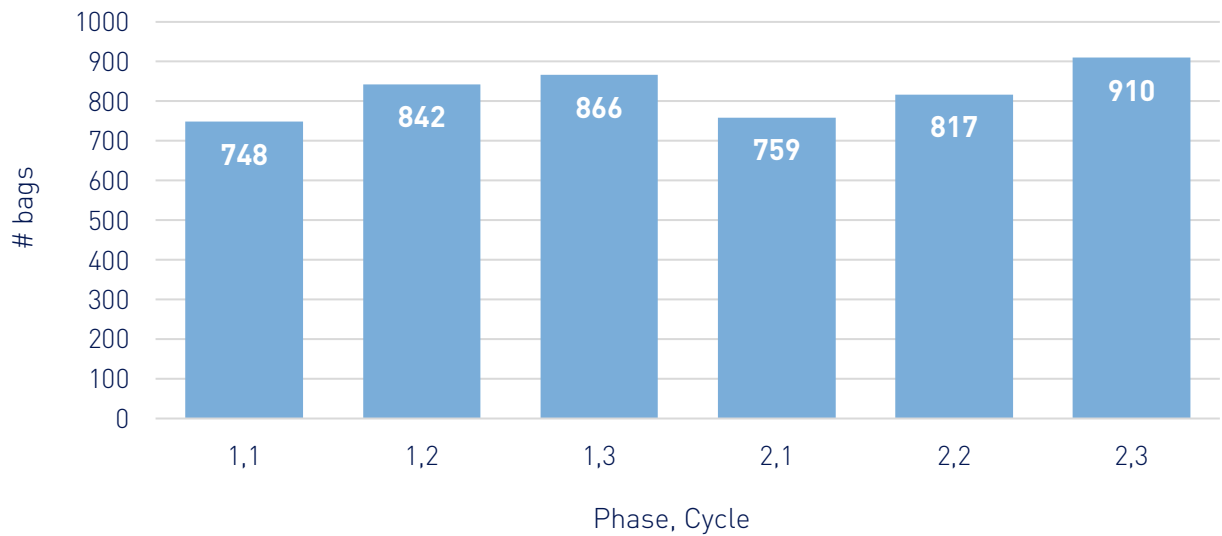


Figure 18 • Bags collected per route, South Gloucestershire

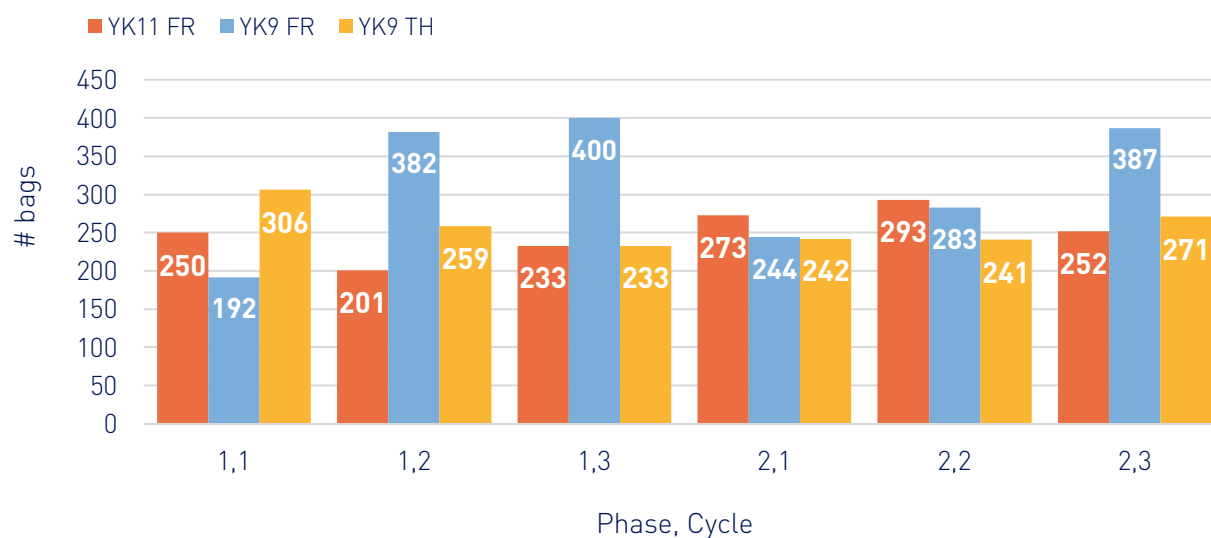


Figure 19 • Average bags collected per household, South Gloucestershire

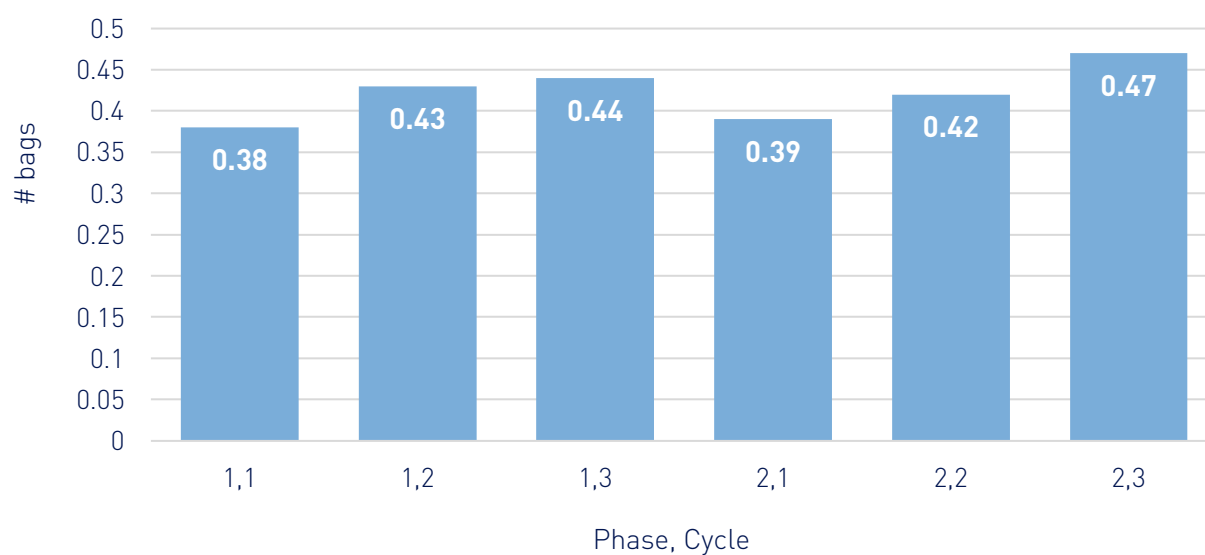


Figure 20 • Average bags collected per household per route, South Gloucestershire

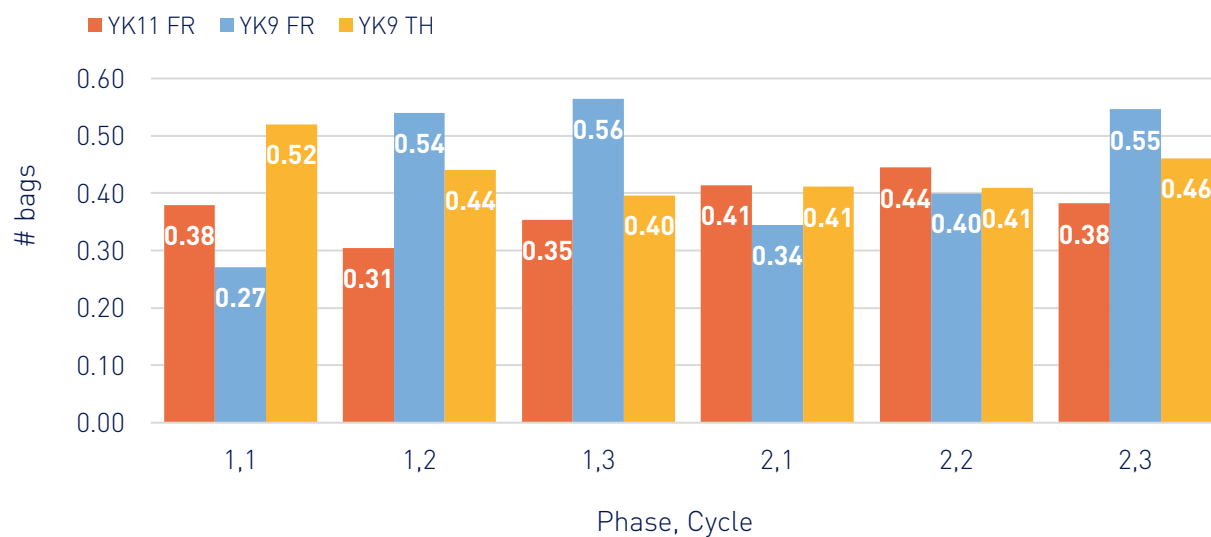


Figure 21 • Total weight collected (kg), South Gloucestershire

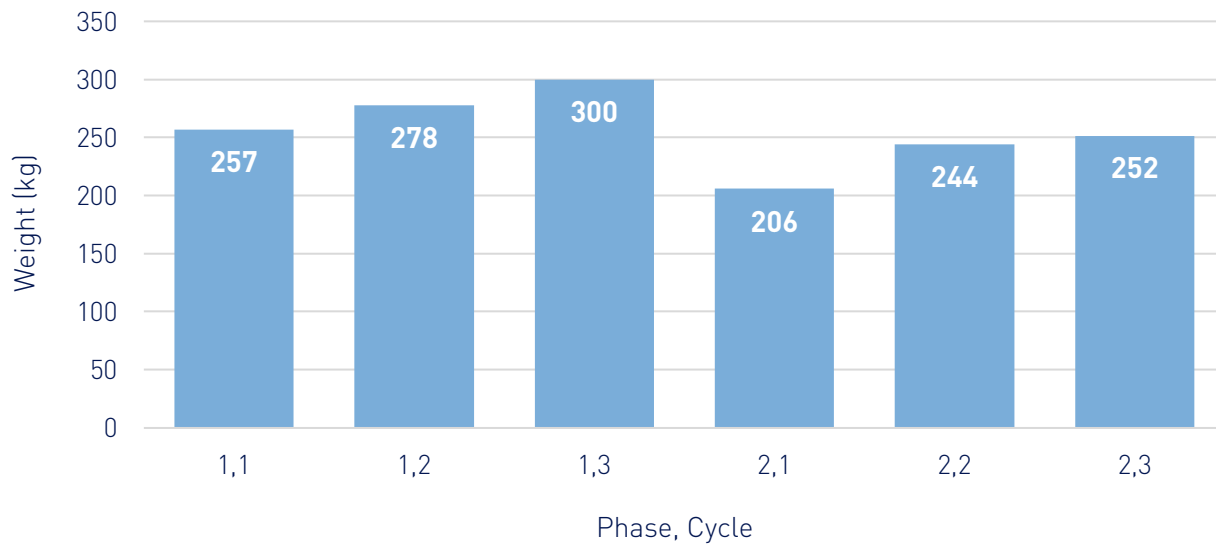


Figure 22 • Total weight collected per route (kg), South Gloucestershire

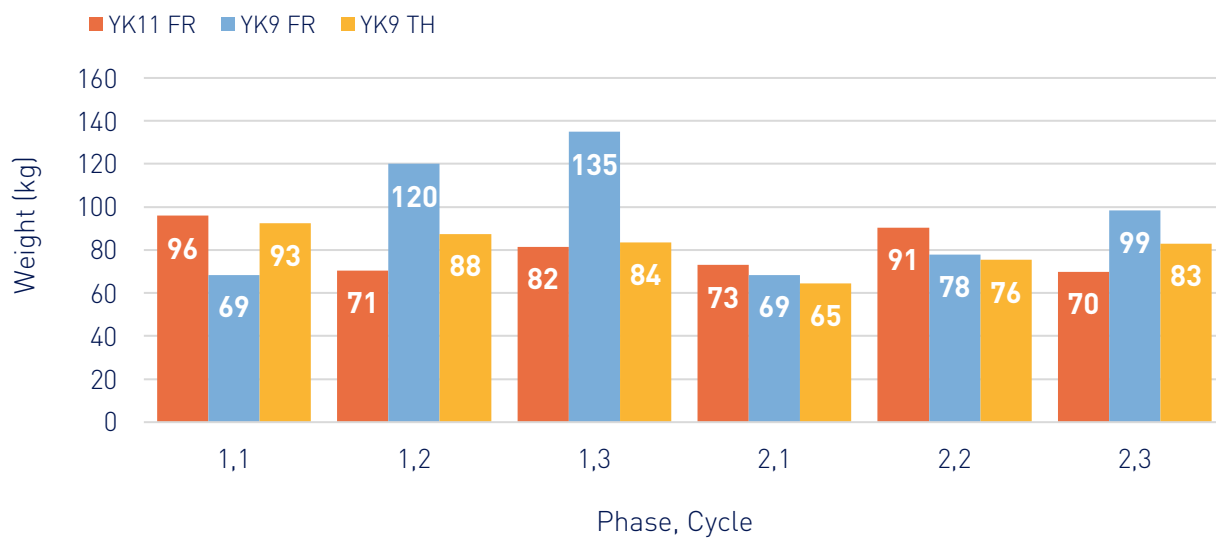


Figure 23 • Average bag weight (g), South Gloucestershire

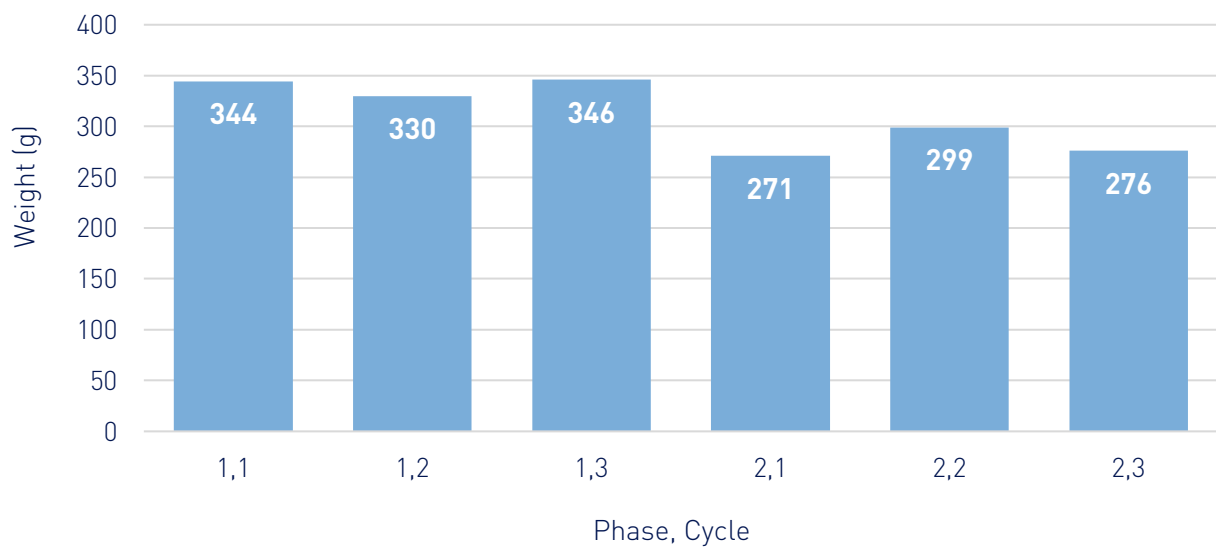


Figure 24 • Average bag weight per route (g), South Gloucestershire

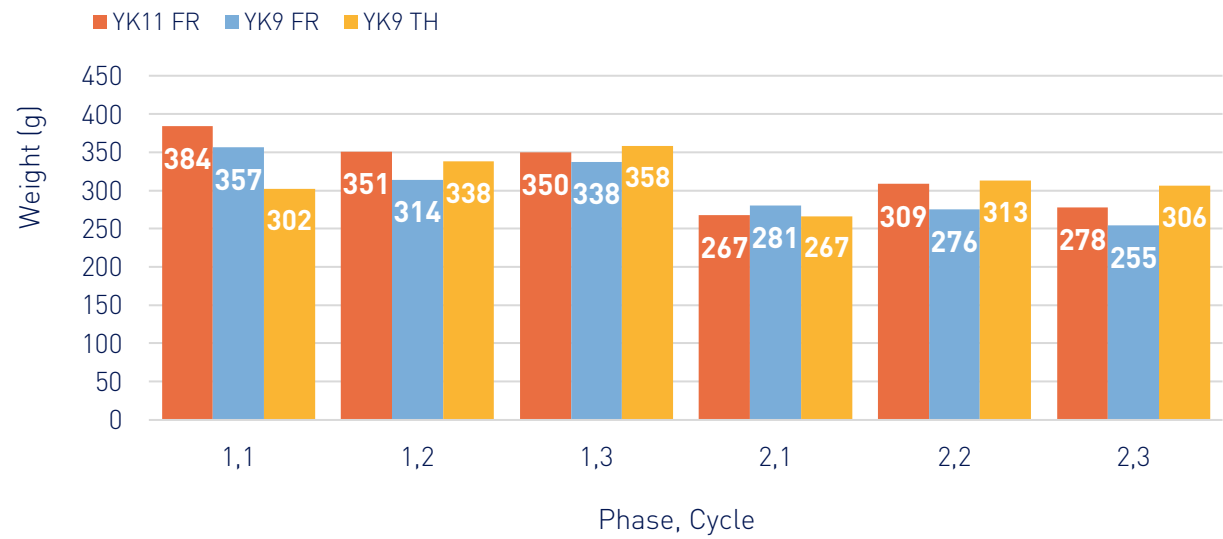
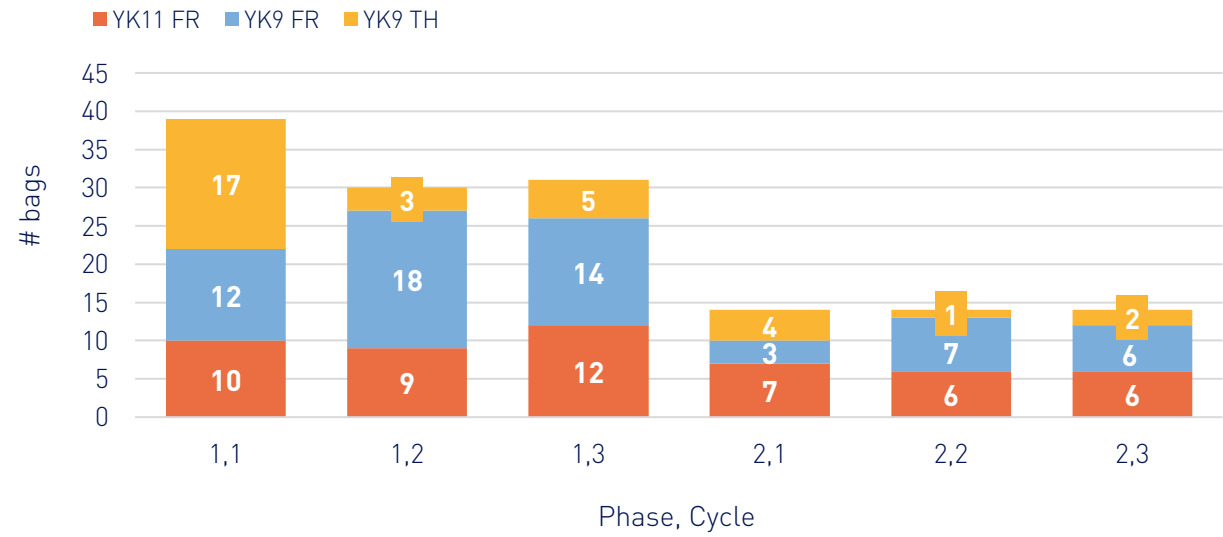


Figure 25 • Contaminated bags rejected at processing per route, South Gloucestershire



Maldon

Maldon’s separate pass collection combined with the high starting property count provides more granular data. Two phases of data collection have been completed, with combined figures demonstrating a 10% increase in participation between Q1 and Q3 2023.

The routes across Maldon vary considerably in terms of demographics and rurality, but the data gathered broadly aligns with the expectations for each area. For example, the suburban, low-deprivation areas of Maldon have produced a higher participation rate than the more deprived areas of Southminster and Burnham. This insight has enabled the Council to target interventions in lower performing areas.

The arisings from the Heybridge route are considerably lower than in other areas. This is because there are only 100 properties included from this route, which received communications in error.

Due to the small number of properties, a decision was made to retain them in the pilot rather than communicate the error.

All areas of Maldon received an additional pack of bags in August along with a thank you letter. The second phase of data collection coincided with the completion of this task, suggesting that follow up communications and additional bags deliveries will result in increased participation. This level of intervention is unlikely to be sustainable as projects expand past the initial phase.

Individual socio-demographic categorisations have been taken from the census and combined with local data to seek to understand at a granular level whether different socio-demographic groups participate more or less with the trial. This more detailed work is underway and conclusions will be analysed later in the project.

Figure 26 • Total bags collected, Maldon

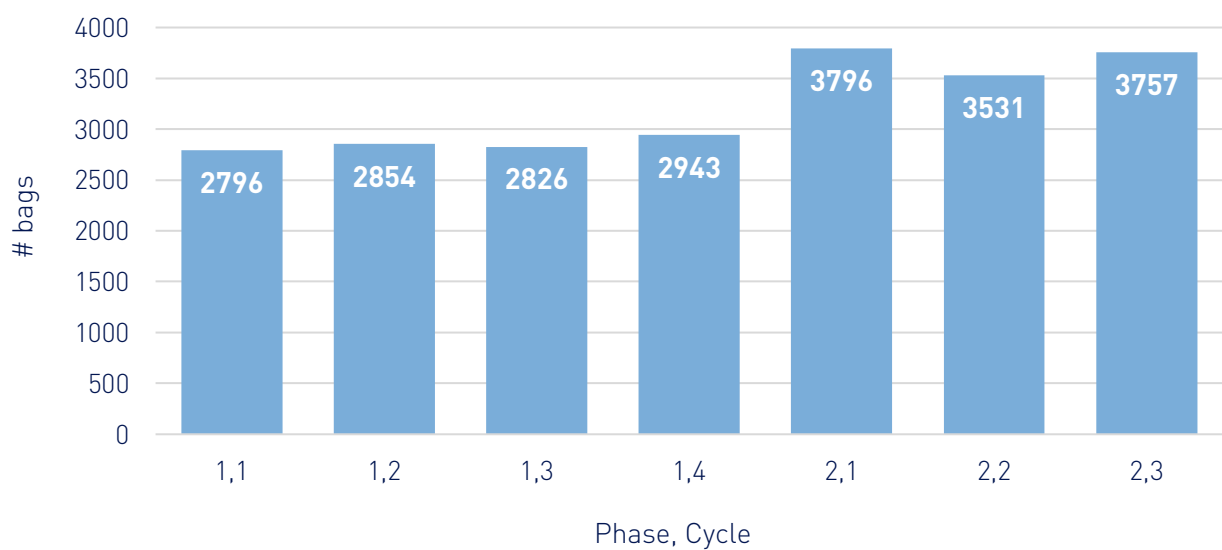


Figure 27 • Bags collected per route, Maldon

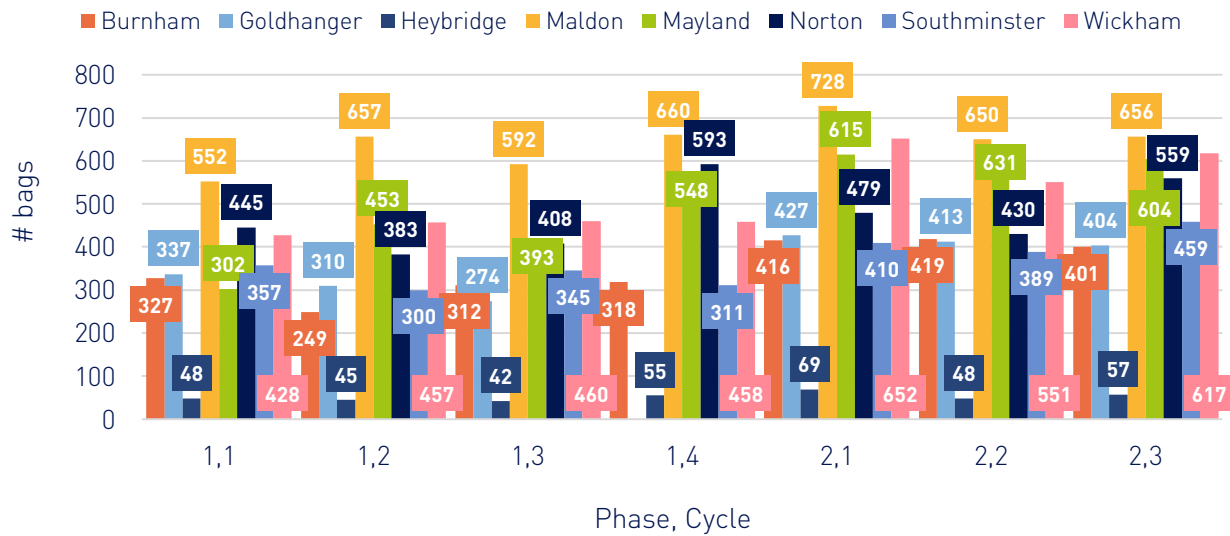


Figure 28 • Average bags collected per household, Maldon

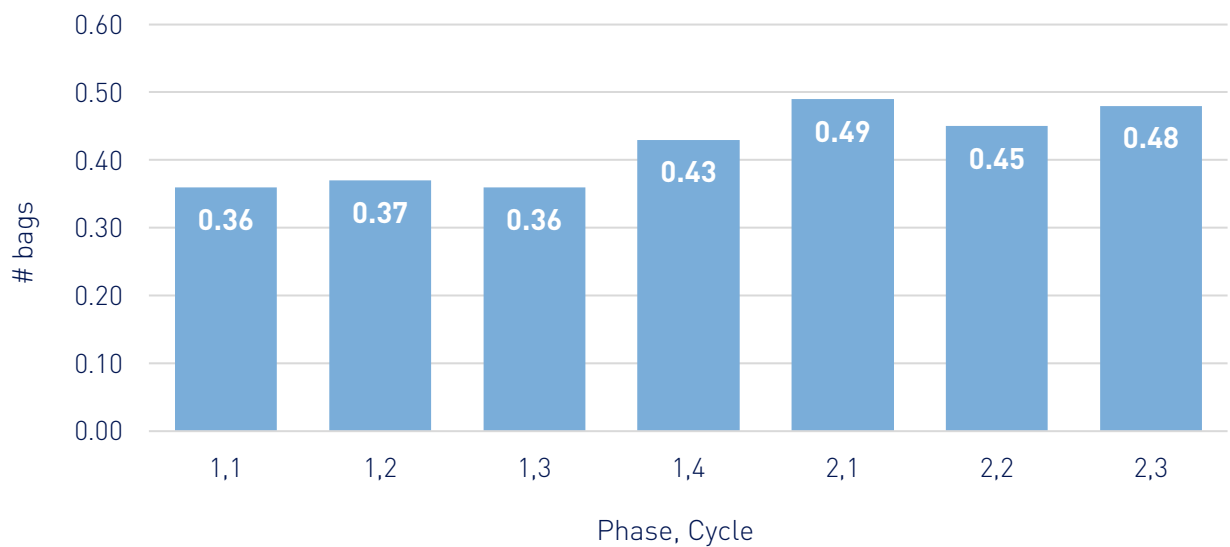


Figure 29 • Average bags collected per household per route, Maldon

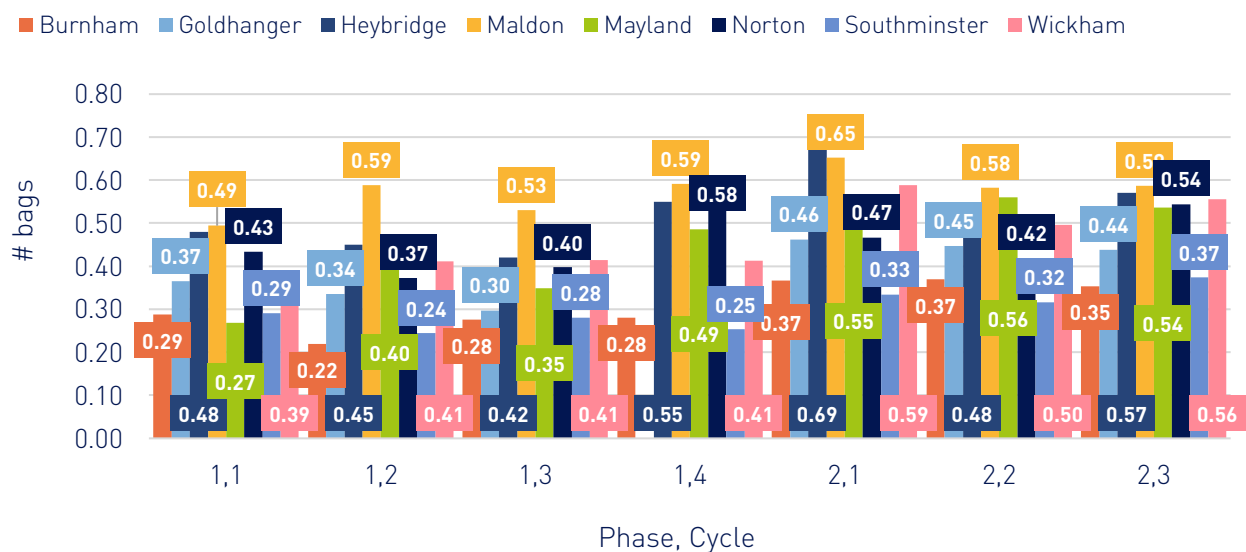


Figure 30 • Total weight collected (kg), Maldon

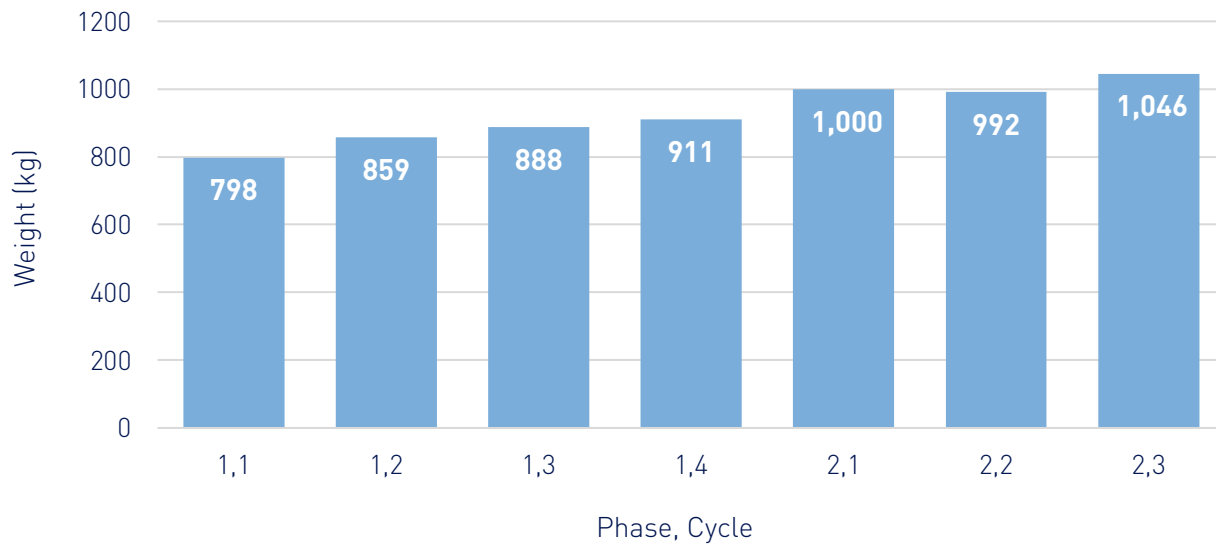


Figure 31 • Total weight collected per route (kg), Maldon

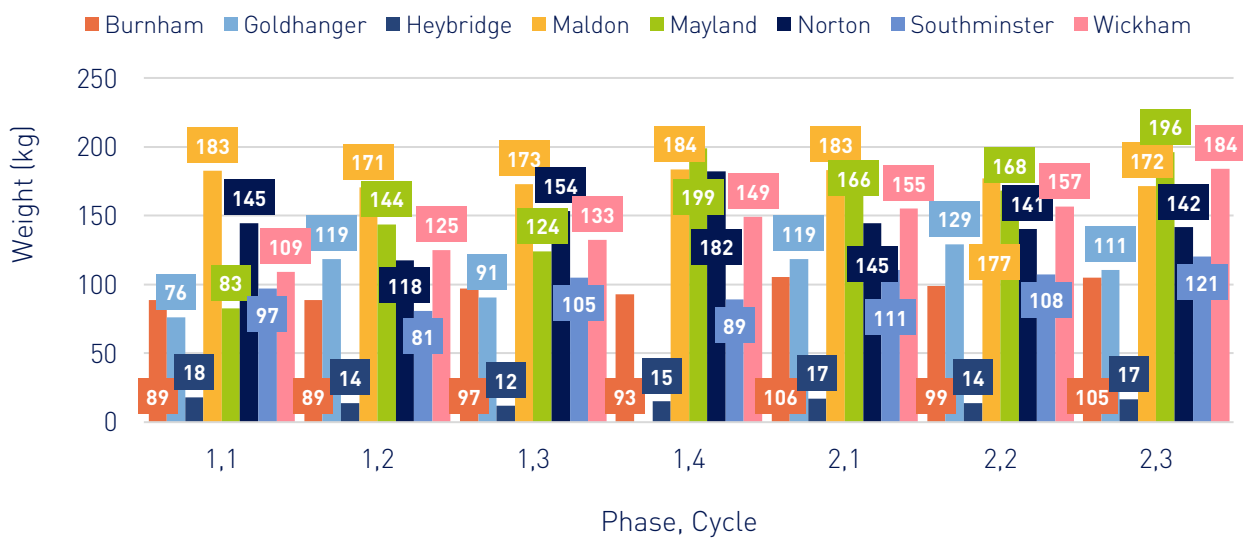


Figure 32 • Average bag weight (g), Maldon

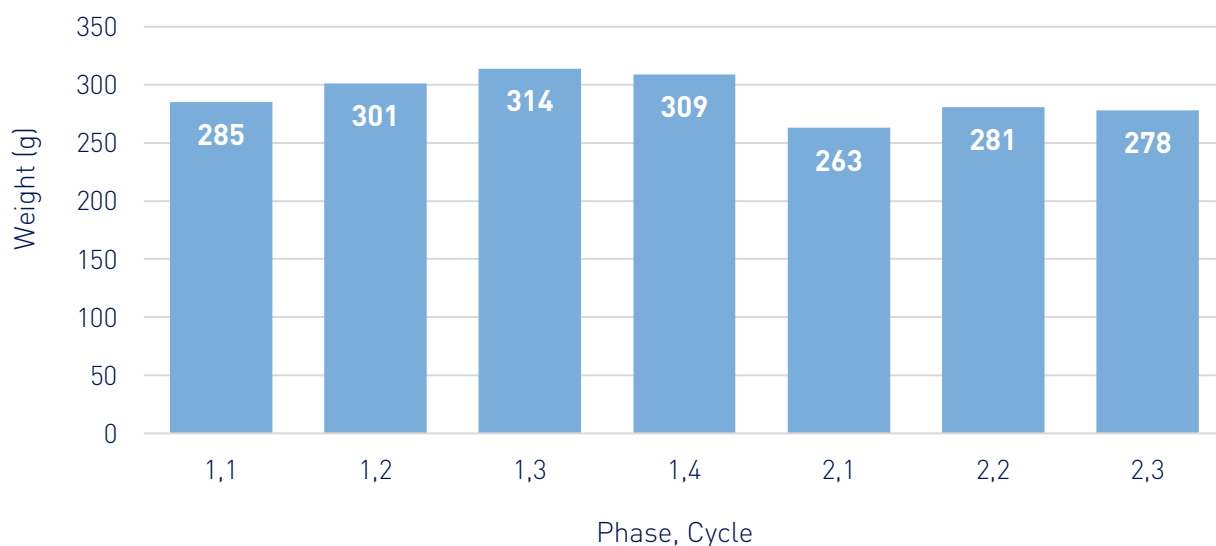


Figure 33 • Average bag weight per route (g), Maldon

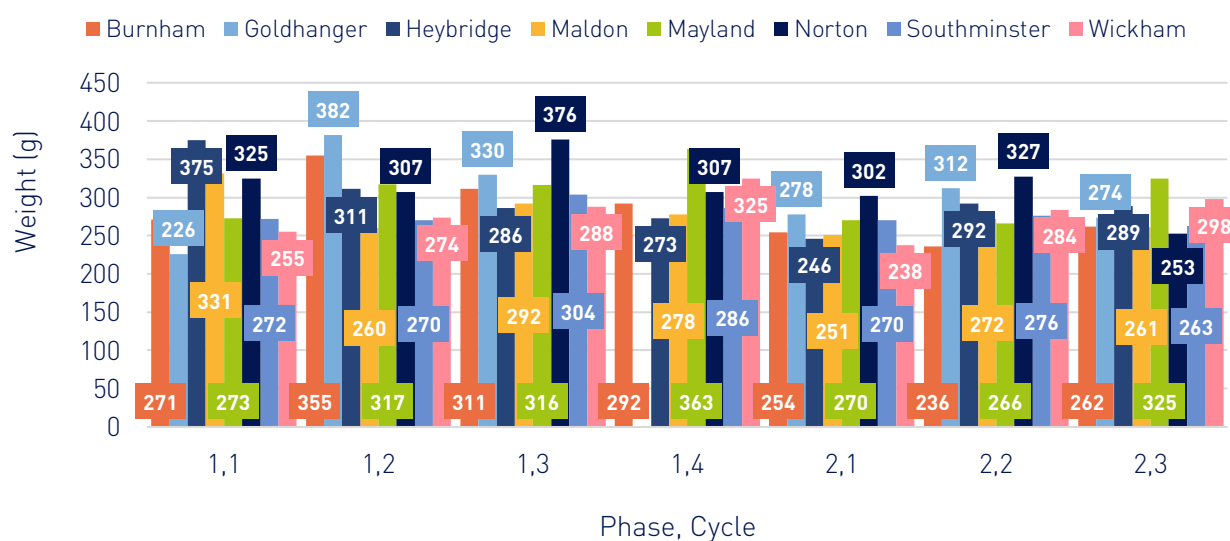
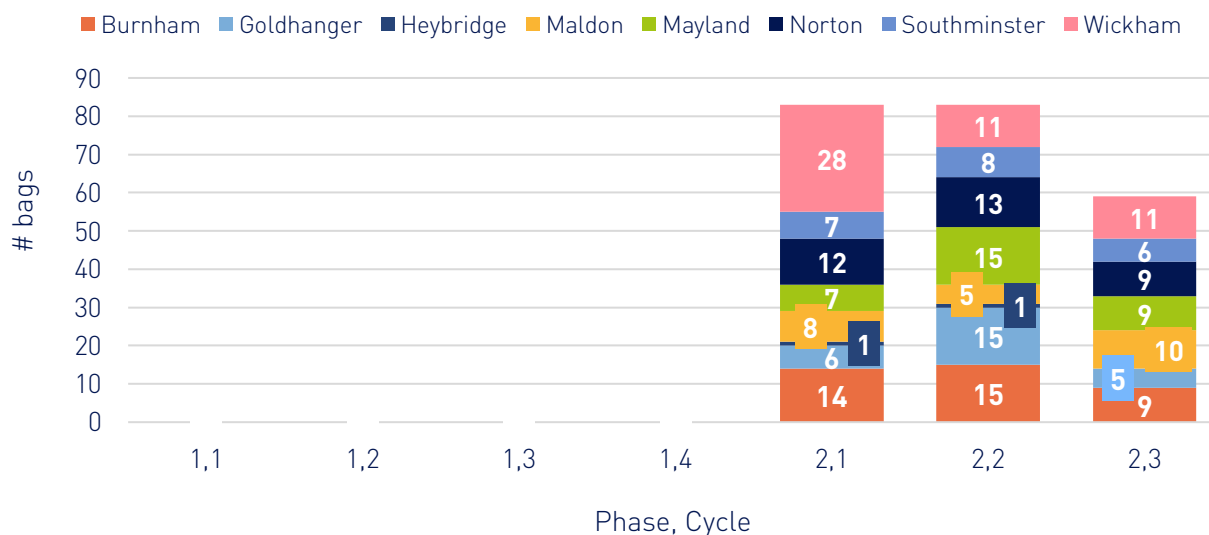


Figure 34 • Contaminated bags rejected at processing per route, Maldon



Somerset

Unlike other pilot authorities, Somerset does not have the capacity to gather data per route due to space limitations at the depot. A bag count and total weight was taken for the full trial area (six routes) each week over three consecutive cycles.

The pilot has generated the highest baseline participation rate to date, with 52% of households presenting one bag each week across the monitoring period. A small decrease of 3% occurred when the data collection was repeated in September, however the phase two figure was still higher than in other areas.

The trial area is predominantly suburbanites (51%), followed by urbanites (23%) and rural residents (20%), all with low levels of deprivation.

The average bag weight in Somerset is 221g, over 70g less than the overall project average of 291g.

It should be noted that the volume of rejected bags is very small compared to the total bags being collected, amounting to around 1%.

Individual socio-demographic categorisations have been taken from the census and combined with local data to understand whether different socio- demographic groups participate more or less with the trial. This more detailed work is underway and conclusions will be analysed later in the project.

Figure 35 • Total bags collected, Somerset

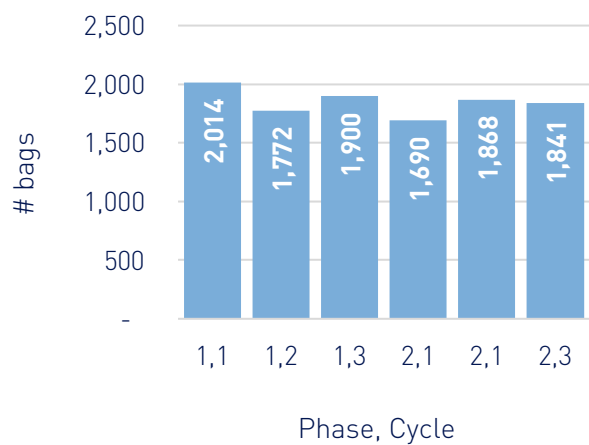


Figure 36 • Average bags collected per household, Somerset

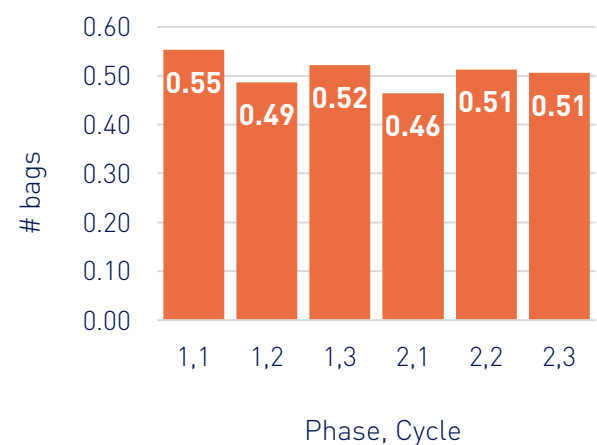


Figure 37 • Total weight collected (kg), Somerset

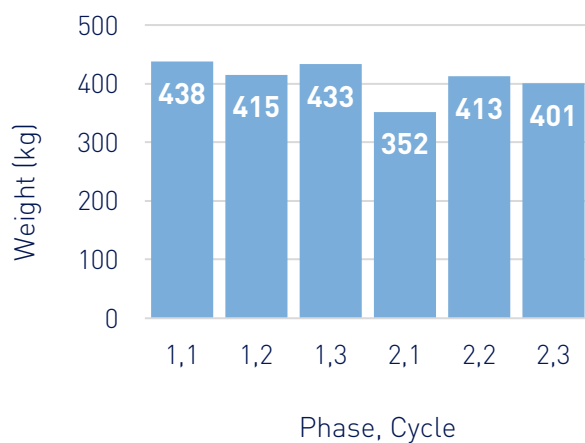


Figure 38 • Average bag weight (g), Somerset

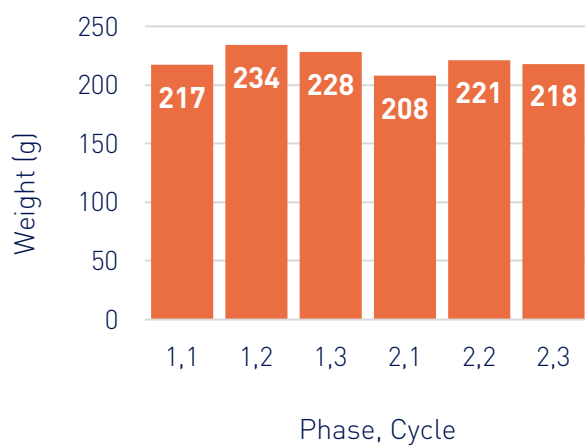
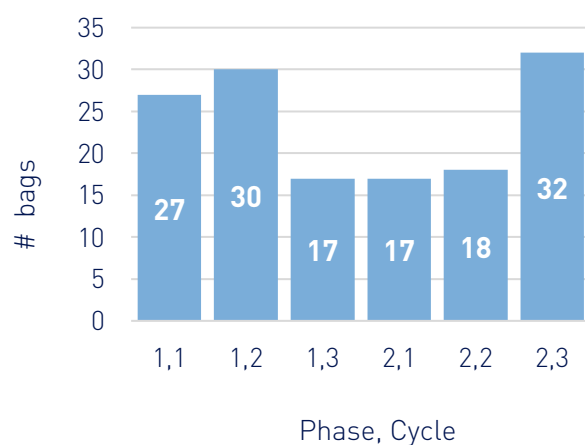


Figure 39 • Contaminated bags rejected at processing, Somerset



Newcastle

Granularity of data is limited to the collection week, as bags are bulked up and processed on a weekly basis. The original four trial routes included predominantly urbanite and suburbanite properties. The two additional routes which joined in October 2023 are similar in demographics, but include more cosmopolitan and hard-pressed living neighbourhoods.

Average participation levels for the first phase of data collection were in line with other project areas. This demonstrates that participation and demand for the service remains high even in densely populated cities. However, due to the requirement for vehicles to tip at a different depot, the geography of the initial rollout included mainly properties from affluent communities, which likely contributes to the participation rate. Although an important part of the City's population, these mostly affluent neighbourhoods are unlikely to be representative of Newcastle as a whole.

Phase two data collection included properties from the small expansion in October and saw a small decline in participation across the project area.

It has not been possible to generate data at individual route level due to bulking material at the transfer station. However, it can be inferred that the reduction could be the result of an expansion into the cosmopolitan, hard-pressed and student neighbourhoods.

These early results suggest that there is a difference in performance between socio-demographic groupings, but further work is needed to understand this. Monitoring will continue to understand what learnings can be gathered to inform the project.

In the second cycle of data collection (phase one), one of the two R03 collection vehicles tipped in the wrong bay at the transfer station and the trial material could not be recovered. This was due to staff absences and the use of a cover driver who tipped in the normal bay at the transfer station in error, rather than the dedicated FlexCollect bay.

Measures have been put in place to minimise the risk of this occurring again. The household numbers which contribute to the average calculations in the data have been reduced to reflect these missing properties.

Individual socio-demographic categorisations have been taken from the census and combined with local data to understand at a granular level whether different socio-demographic groups participate more or less with the trial. This more detailed work is underway and conclusions will be analysed later in the project.

Figure 40 • Total bags collected, Newcastle

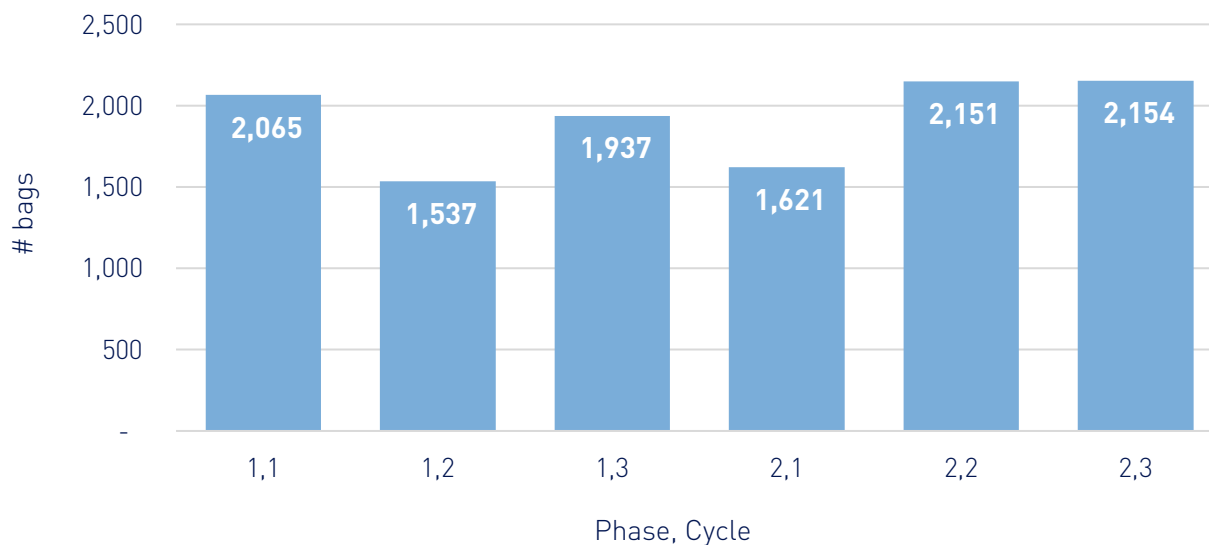


Figure 41 • Bags collected per route, Newcastle

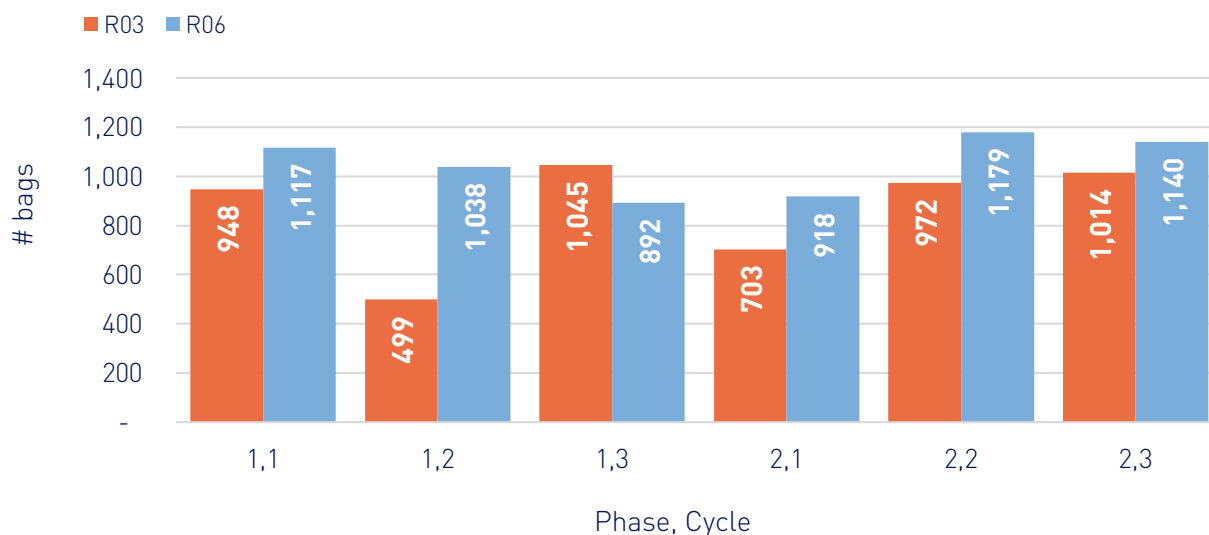


Figure 42 • Average bags collected per household, Newcastle

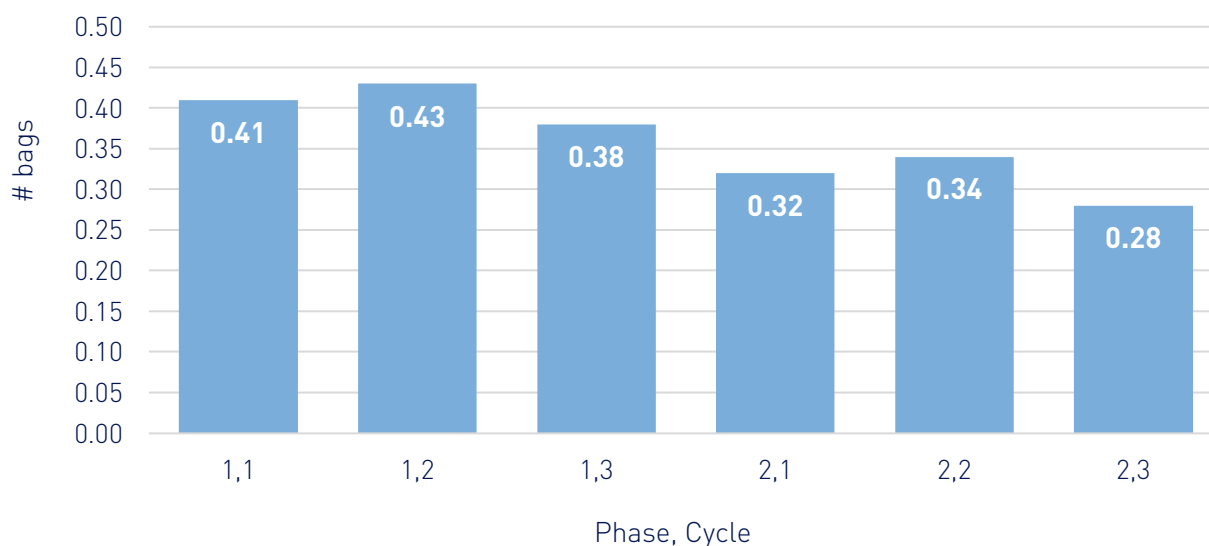


Figure 43 • Average bags collected per household per route, Newcastle

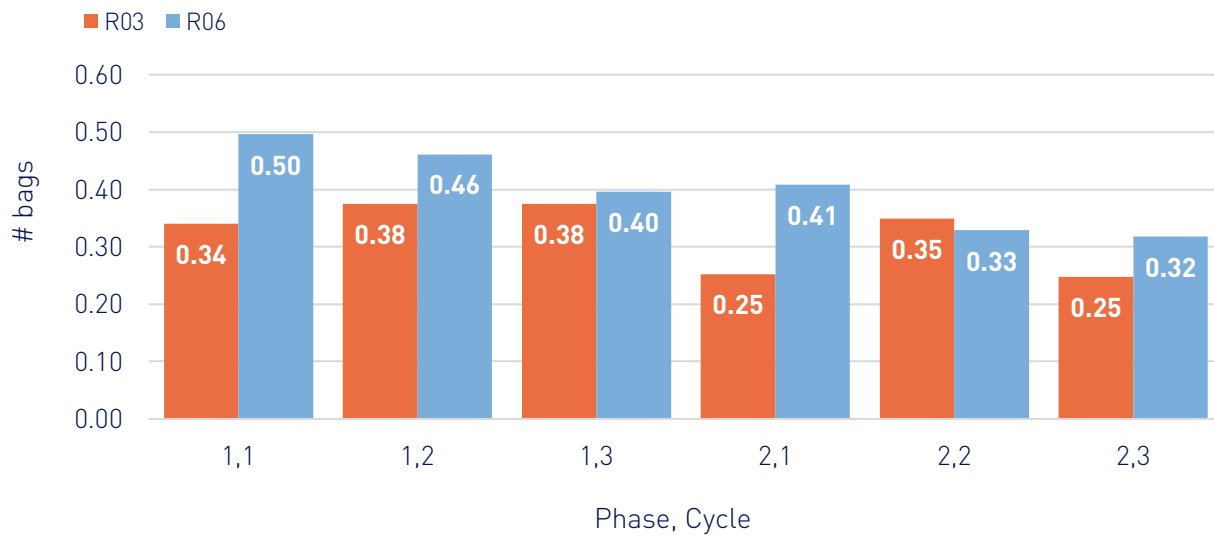


Figure 44 • Total weight collected (kg), Newcastle

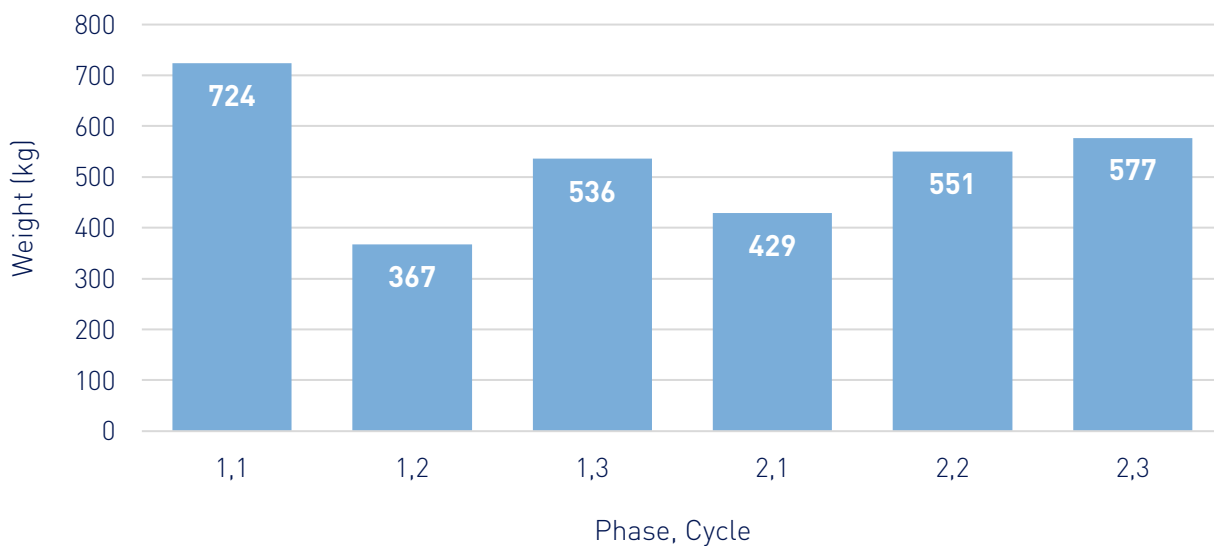


Figure 45 • Total weight collected per route (kg), Newcastle

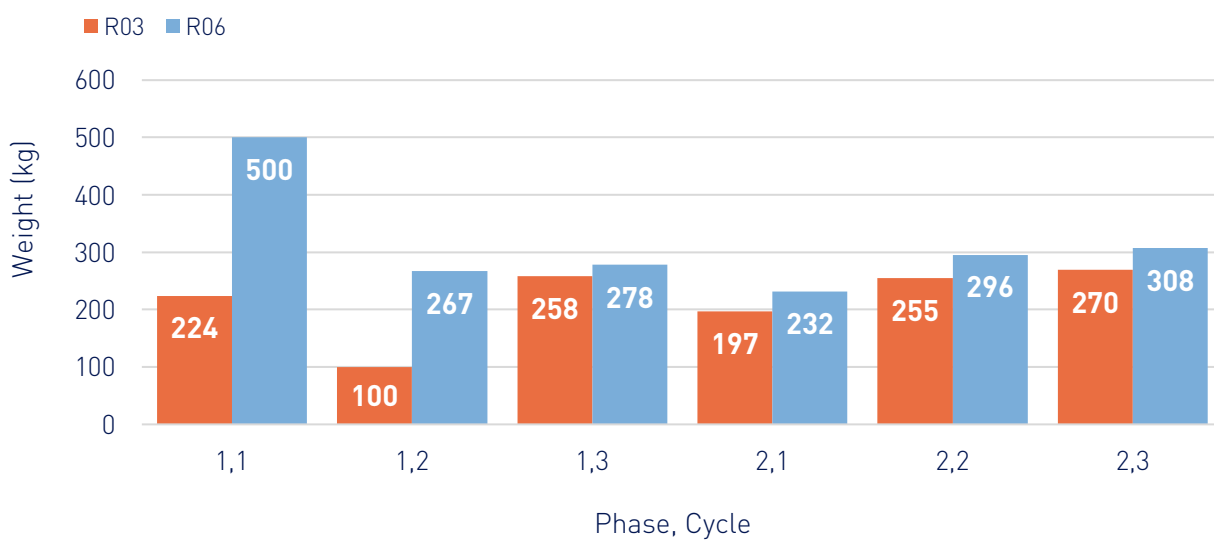


Figure 46 • Average bag weight (g), Newcastle

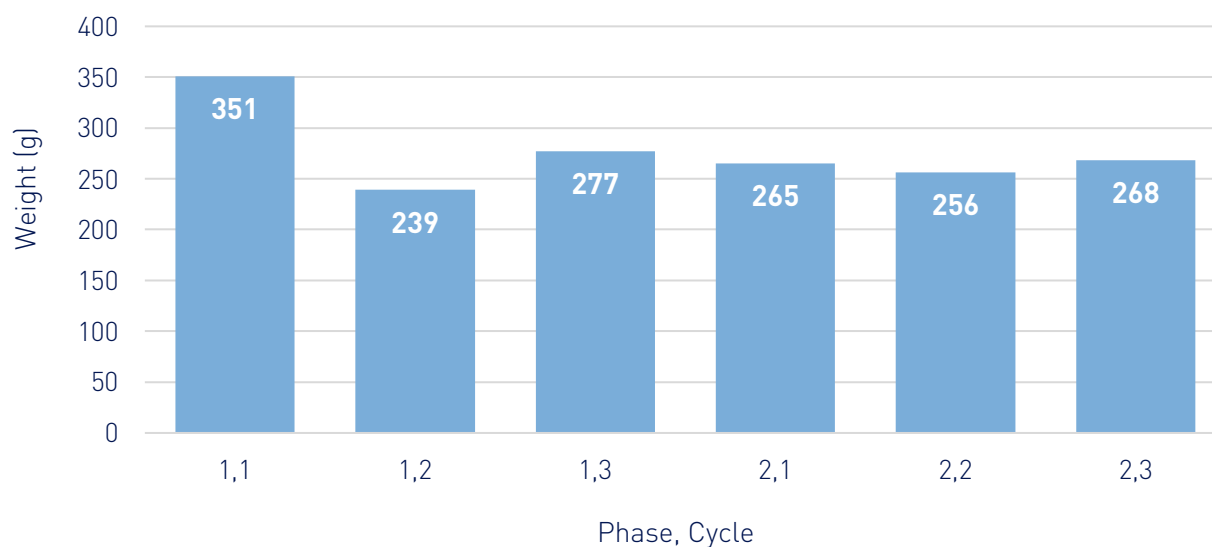


Figure 47 • Average bag weight per route (g), Newcastle

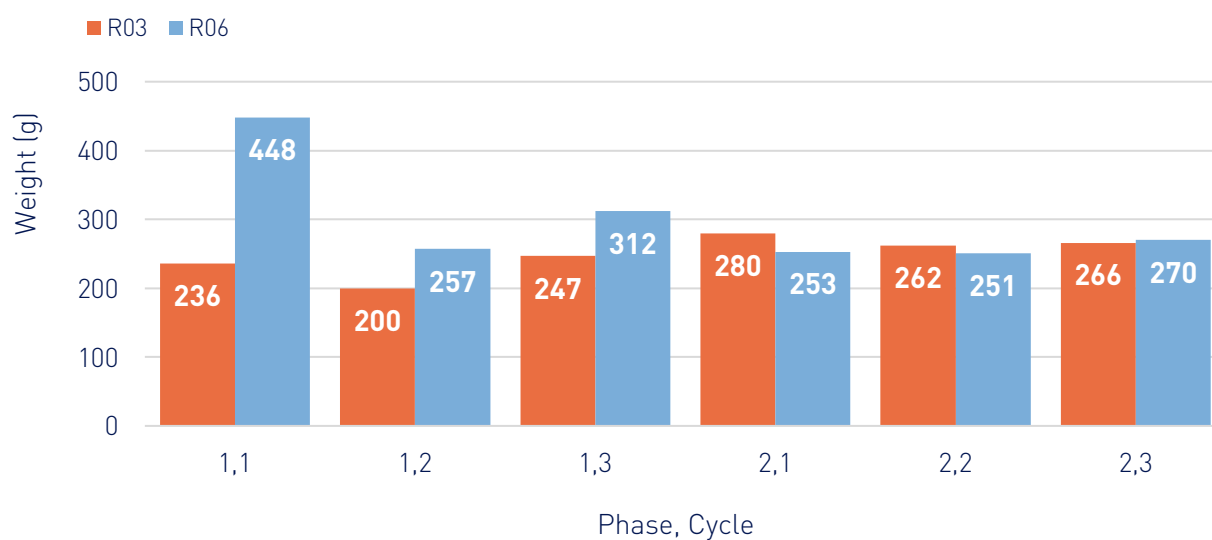
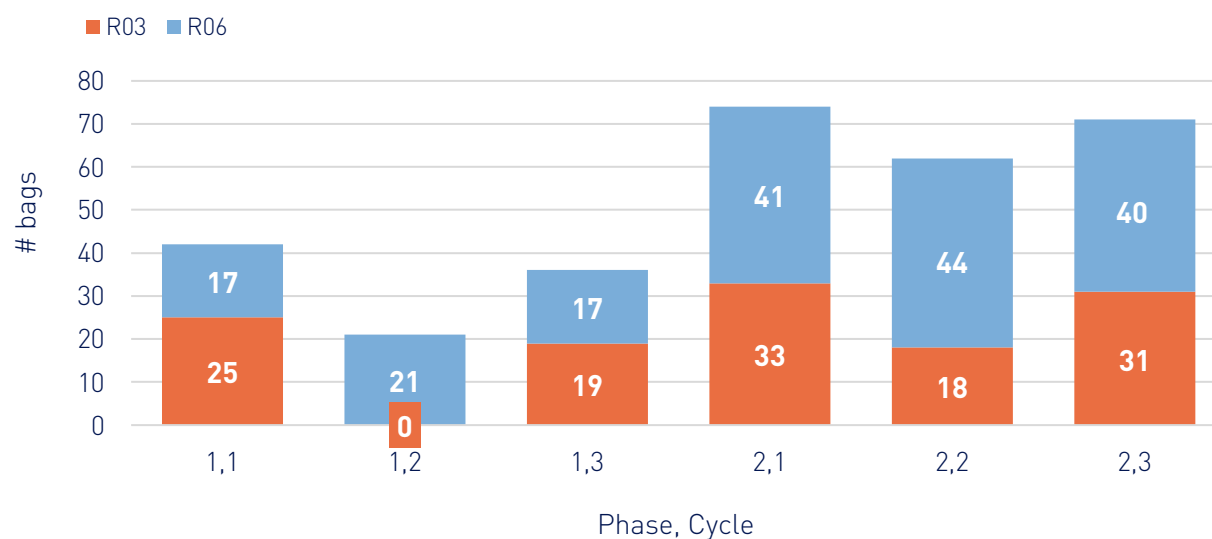


Figure 48 • Contaminated bags rejected at processing per route, Newcastle



Reading and North Hertfordshire

Data from the most recent trials to commence, Reading and North Hertfordshire, is not available at the time of writing. This, together with the data from the trial yet to start and new data generated from the ongoing trials, will be compiled for the final project report.

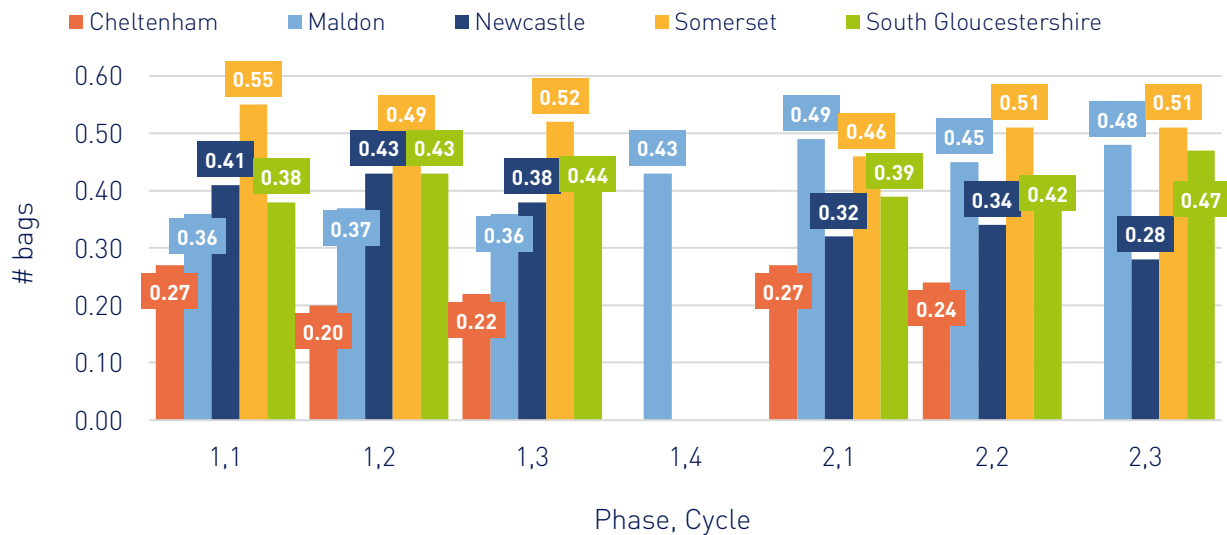


Learnings to date

Bags presented

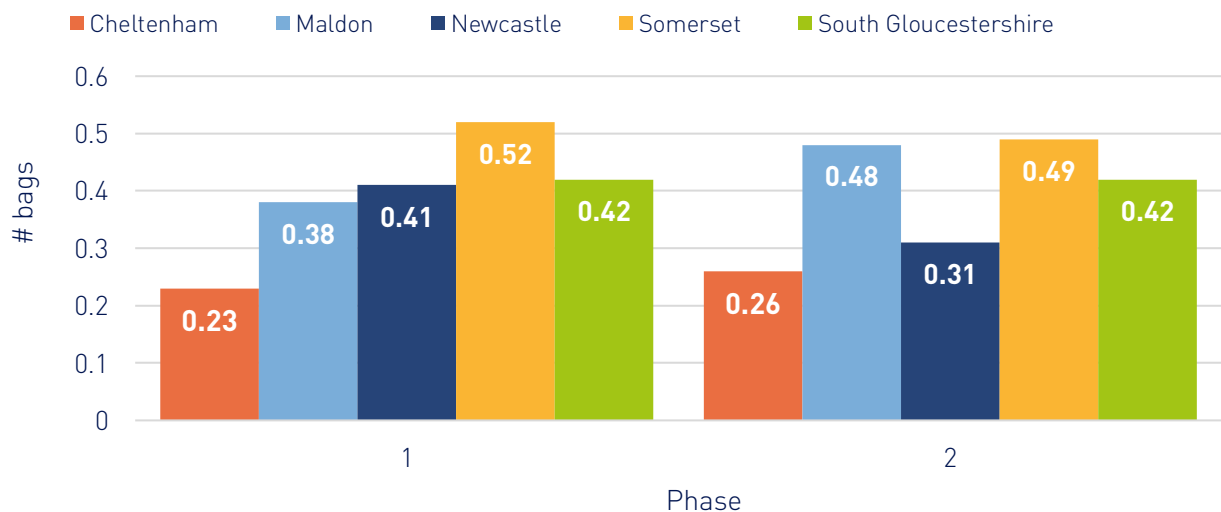
Average bags presented per household is shown here in figure 49. Each cycle is a collection cycle and each column represents the number of bags presented per household passed on the collection round. To date, two phases of data collection have been completed.

Figure 49 • Average bags collected per household



The overall average per collection cycle is 0.39 bags per household passed. Therefore two bags are presented for every five households who have the opportunity to participate in the trial.

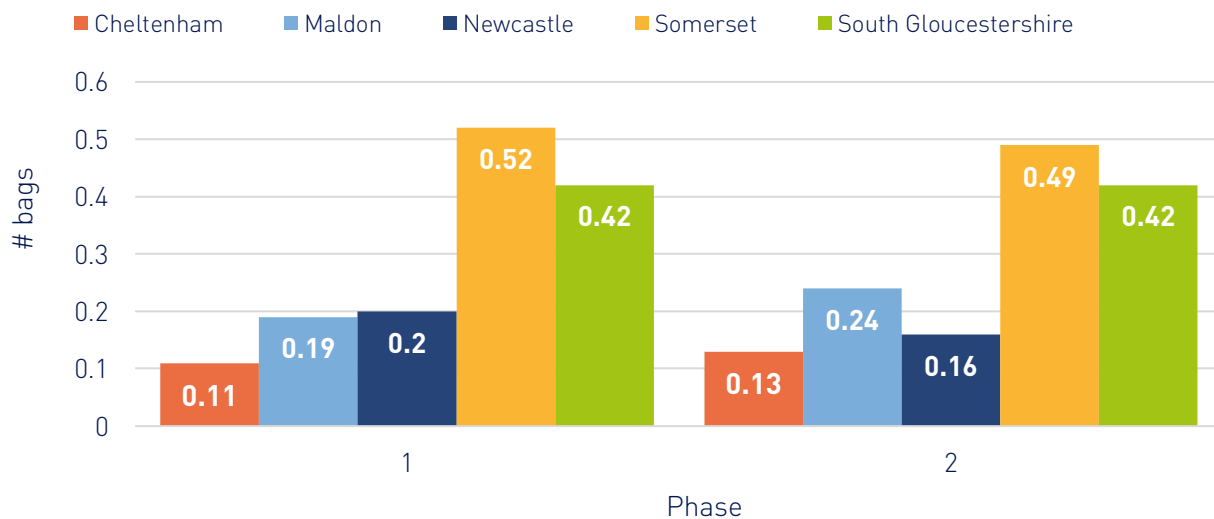
Figure 50 • Average bags collected per household per phase



As collection cycles vary between weekly and fortnightly across the pilot authorities, it is important to consider these participations over a weekly period. The participation figure decreases to 0.29 bags per property passed, or 29% of properties presenting a bag, in this instance, demonstrating that there is a relationship between frequency of collection and participation.

Both South Gloucestershire and Somerset collect recycling on a weekly basis. Subsequent to this data being generated, a rejuvenation of communications at Cheltenham has been undertaken which is expected to increase participation rates.

Figure 51 • Average bags collected per household per week

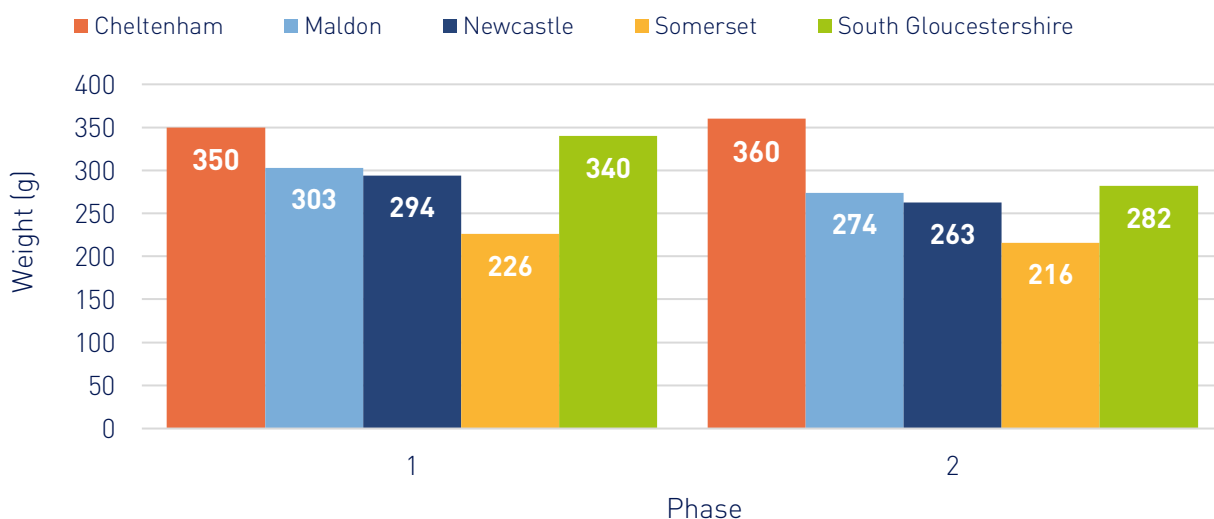


Average bag weight

Average bag weight varies across the five trials, with data worthy of inclusion at this interim stage varying between 221g (Somerset) and 355g (Cheltenham). Bag weight will be influenced by the frequency of collection, where more frequent collections (weekly for instance) are expected to deliver lower weights than those collected less frequently (fortnightly for instance). However, this is not always the case as weekly collections in South Gloucestershire have delivered a higher average bag weight than the fortnightly collections of Maldon and Newcastle. This correlation will be looked at in more detailed as the projects expand.

There was a general decrease in average bag weights between the two phases of collection suggesting that residents are not always using the full capacity of the collection bag.

Figure 52 • Average bag weight (g)



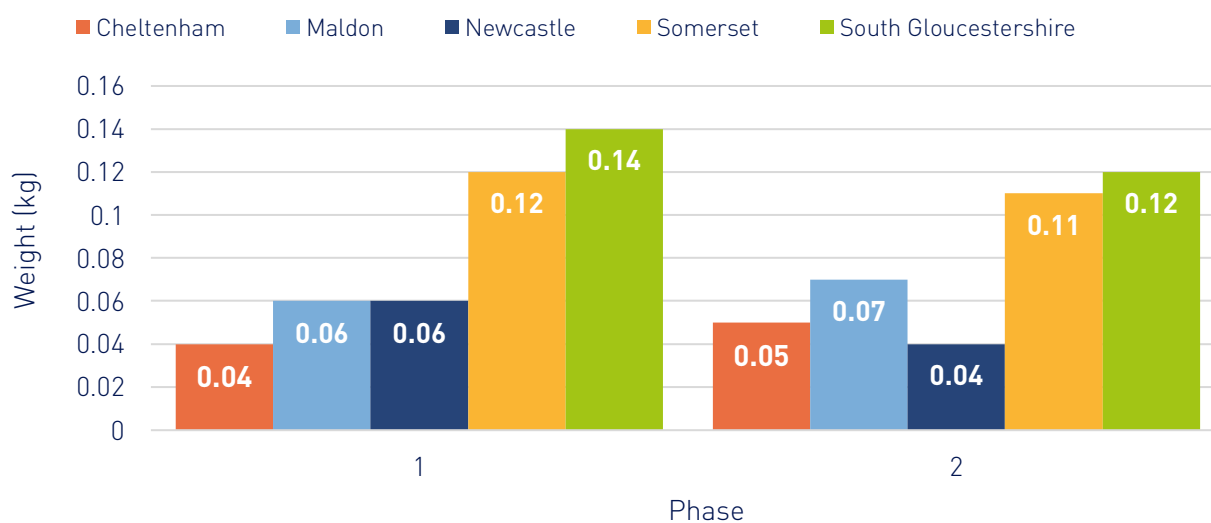
Average weight per trial household

Figure 53 takes into consideration all households who have the opportunity to participate, not just those who are actively participating.

Average weight per trial household varies between 43g (Cheltenham) and 142g (South Gloucestershire).

Subsequent to this data being generated, a rejuvenation of the communications at Cheltenham has been undertaken and it is expected that average weights will increase as a result.

Figure 53 • Average weight per household (kg)



Operational participation rates

There has been no material difference in the average collection rate between source segregated or twin stream collections, with both averaging around 0.4 bags per property per pass.

Communication is essential in establishing and maintaining participation rates.

Where industrial action has interrupted services or where follow up communications have been employed, a respective decline or uplift in participation has been observed. For instance, at Maldon, a follow up communication campaign lifted participation by approximately 10%.

Industry standard participation monitoring

Kerbside participation monitoring has been undertaken by Resource Futures for the following trials:

South Gloucestershire

- + In total 1,589 households were monitored over three collection cycles.
- + The participation rate is calculated as 68%.
- + The average number of flexible plastic packaging bags presented by participating households was 1.16.
- + The total number of households contaminating at least once in a period was 10%.

Somerset

- + In total 1,610 households were monitored over three collection cycles.
- + The participation rate is calculated as 64%.
- + The average number of flexible plastic packaging bags presented by participating households was 1.11.
- + The total number of households contaminating at least once in a period was 23%.

Maldon

- + In total 2,234 households were monitored over three collection cycles.
- + The participation rate is calculated as 47%.
- + The average number of flexible plastic packaging bags presented by participating households was 1.58.
- + Contamination data was not collected, because the flexible plastic packaging material was collected on a separate round.

Figure 53 • Participation monitoring summary

Pilot	No. of houses monitored	No. of households presenting flexible plastic packaging	Participation rate	Average no. of bags presented	Total households contaminating at least once in trial period
South Gloucestershire	1,589	1,083	68%	1.16	10%
Somerset	1,610	1,029	64%	1.11	23%
Maldon	2,234	1,041	47%	1.58	n/a

Frequency and type of collection

(based on operational participation rates)

More frequent collections appear to deliver higher participation rates, with an average of 0.46 bags presented per household per week for weekly collections and 0.18 bags per household per week for fortnightly collections.

This operational data is confirmed by the participation monitoring completed by Resource Futures, which shows participation of 64% and 68% for weekly collections, and 45% for fortnightly.

Figure 54 • Frequency and presentation summary

Collection frequency	No. of bags presented per household collection cycle	No. of bags presented per household per week
Weekly	0.46	0.46
Fortnightly	0.34	0.18

Although this data appears to show higher participation in source-segregated collections, this is driven by collection frequency as the majority of source-segregated collection pilots are weekly collections, and all co-mingled collections are fortnightly.

Figure 55 • Collection type and presentation summary

Collection type	No. of bags presented per household per week
Co-mingled	0.19
Source segregated	0.34

Weight of items collected

On average, 291g of flexible plastic packaging has been collected per bag.

Availability of bags

Availability of bags has been key to participation. Households can reorder bags by various means (aligned to their waste collection authority current or preferred systems).

Use of bags

Using bags has provided flexibility for collection, extraction and consolidation in a low capex, limited infrastructure environment. The cost and circularity of using bags to collect flexible plastic packaging is a key consideration and one with a real focus for pilot authorities that expand trials to incorporate more households.

Discrete collection bags are not used in the European countries that collect flexible plastic packaging items today, but have been necessary in the UK due to the lack of infrastructure which is more common in Europe. Learnings and confidence from this project together with policy certainty and extended producer responsibility (including modulation) funding may be material to more domestic infrastructure being planned and delivered.

Capacity on vehicles

To date, no issues with vehicle capacity have been encountered. Although the bags of flexible plastic packaging items have a large volume, they compress significantly and easily.



Communications

Naming and communications research

From March 2020 to October 2022, WRAP conducted three rounds of citizen testing to assess the clarity and effectiveness of various terminologies for flexible plastic packaging.

A clear preference emerged, along with key principles for effectively communicating positive flexible plastic packaging recycling behaviour. When determining the best approach for engaging with householders, the research highlights the importance of adhering to the following guiding principles:

- + Use a lead message that emphasises the change and/or that there is something new, rather than a norming message.
- + Give preference to using images of items over written lists.
- + Present both 'yes please' and 'no/don't recycle' items together, rather than just 'yes' lists.
- + Ensure that the Recycle Now 'swoosh' plays a prominent and attention-grabbing role.

The research also reveals an underlying trend where householders express a desire for more information while simultaneously preferring less clutter and content to read. This aligns with established best practices in communication.

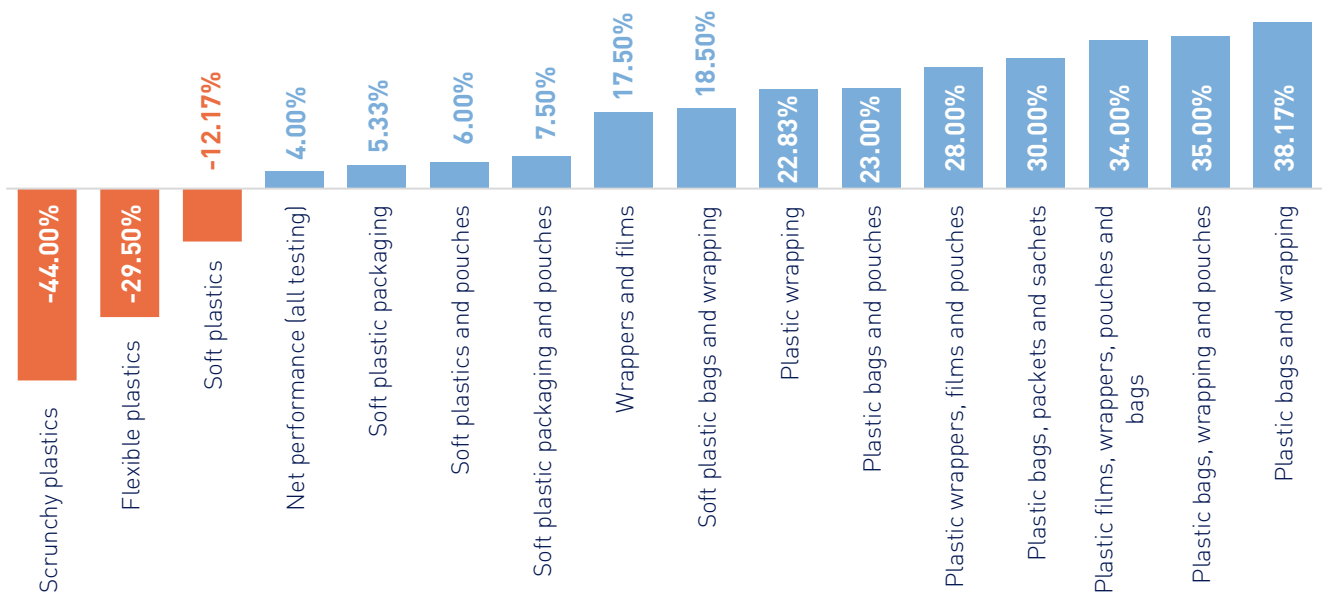
'Plastic bags and wrapping'

The results have been remarkably consistent across the three rounds of testing, highlighting a noticeable contrast between the characteristics of the most and least effective terminologies and the language employed within them.

It is strongly recommended that the term 'plastic bags and wrapping' be consistently employed as the overarching terminology when communicating with the public about flexible plastic packaging. There is a statistical preference that this term not only resonates most effectively and serves as the clearest descriptor of the material to the public, but also aligns with the recommendations outlined in the communication insights.

Interestingly, terminologies commonly used within the market consistently ranked as the poorest performers throughout all three rounds of testing, with terms such as 'scrunchy plastics', 'flexible plastics' and 'soft plastics' occupying the bottom three positions in terms of performance scoring.

Figure 56 • Net performance (all testing)



[net figures, % most sense - % less sense]

The full report and results of the householder research can be found at wrap.org.uk/resources/report/all-wrapped-terminology

Communications plan

WRAP led the development, monitoring and evaluation of householder communications for the trials which has been delivered using the highly recognised Recycle Now campaign, which is underpinned by tested behaviour change theory.

A communications plan was developed to support the launch of the pilot kerbside trials. This plan is informed by WRAP’s learnings and insights from previous flexible plastics research and local authority pilots focused on hard-to-capture materials.

Communications objectives

- + Ensure householders in the pilot areas are aware of the plastic bags and wrapping kerbside trials and are encouraged to participate.
- + Help householders in the pilot areas understand what type of plastic bags and wrapping can and can’t be collected as part of the kerbside trials.
- + Provide communications support to the pilot local authorities to ensure effective roll out of the service.
- + Ensure the communications (messages and assets) reflect and reinforce the aims of the pilot kerbside trials and what they seek to measure.
- + Gain robust insights and evaluation of communications, including understanding why householders did/did not participate in the pilot kerbside trials.

Communications strategy

A three-stage strategy is used:

- + Introduction flyer to let householders know the trial is coming and that the trial will expand over time in their area. The flyer also provides a list of specific items of what can and can't be recycled and why the trial is being launched.
- + Instruction leaflet providing the same list of specific items that can and can't be recycled, how to order more bags and FAQs about the service. This leaflet was delivered with the collection bags.
- + Nudge techniques like contamination stickers to inform householders of wrong items in their collection bags. Other nudges included a follow up flyer thanking householders for using the new service and reminding those that haven't participated to start using the service.

Further communications used include:

- + Dedicated web pages for each local authority listing specific items that can and can't be recycled, more details about the service, how to order more bags, top tips on how to store and collect the material in the home and FAQs. Photography to clearly explain items that can and cannot be accepted, how to tie bags securely and how to present them on the kerbside.
- + Information shared with local authority call centre staff and recycling collection crews.
- + FAQs for use in the instruction leaflet, web pages and call centre staff training.

Key messages

In order to communicate effectively with households, key messages included:

- + Clear launch dates of when the kerbside plastic bags and wrapping recycling collection service was going to be rolled out.
- + Specific types of plastic bags and wrapping that can be recycled and collected during the kerbside trial.
- + Why it is important to recycle plastic bags and wrapping.
- + What happens to plastic bags and wrapping when it is collected and recycled.
- + How and when plastic bags and wrapping should be presented for collection at the kerbside.
- + Tips on how to store plastic bags and wrapping at home prior to collection day.
- + Adopting Recycle Now's proven behavioural change approach of social norming and unity messaging: "Let's recycle better, together. For each other. For [location]" and "More and more people in [location] are recycling plastic bags and wrapping".

Evaluation

Monitoring and evaluation of the communications consisted of:

- + Doorstepping – testing awareness of the kerbside trials and evaluating the communications with households.
- + Local authority webpage visits on the Recycle Now website.
- + Monitoring collection performance.

Doorstepping

Doorstepping surveys were carried out with households in the trial areas to understand:

- ⊕ Collection performance.
- ⊕ Householder satisfaction with the new service and their participation.
- ⊕ Satisfaction with communications and to identify changes in household behaviours.

A face-to-face survey was undertaken in each of the four initial pilot authorities (Cheltenham, South Gloucestershire, Maldon and Newcastle), approximately five to seven weeks after collections started, achieving a minimum of 200 completed interviews in each area with a locally representative sample of residents (i.e. 800 in total).

To encourage participation, there was a prize draw with three £100 prizes.

The survey adopted a '1 in n' method of selecting households from participating streets within the trial areas, with accompanying quotas to ensure a locally representative sample in terms of age, gender and work status.

Interview shifts were spread throughout the week and across different times of the day.

Doorstepping results

The results from the doorstepping research highlight a varied response to the trial service for flexible plastic packaging. Recall of both communications and the receipt of bags was closely linked to awareness of the pilot and whether or not the participant was recycling items in the trial service.

A common theme across the pilots was a high level of stated participation, over 70%, when looking at respondents who received both the bags and communications. Therefore, a key outcome of the research was that the distribution of the communications and bags to residents was vital to encouraging participation in the new service.

A range of approaches have been adopted by local authority partners, from distribution via mailing companies to hand delivering communications using crews or agency staff.

It is the recommendation of the project that the reliability of delivery methods is prioritised when considering options for distributing communications to householders.

Full reports from the doorstepping trials are available⁷.

Figure 57 • Doorstep research findings (%)

	South Gloucestershire	Newcastle	Cheltenham	Maldon
Aware of pilot	95	89	76	68
Received comms	93	77	73	56
Received bags	95	91	43	75
Received comms and bags	91	76	41	54
Recycling 1+ item in pilot (all households)	81	65	42	42
Recycling 1+ item in pilot (received comms and bags)	85	74	93	71
Very / fairly satisfied with pilot (those participating)	96	95	96	89
Service very / fairly well communicated (those receiving all comms)	91	89	98	85

⁷ <https://wrap.org.uk/resources/report/plastic-bags-and-wrapping-recycling-local-collections-pilot>

Material composition analysis

Material composition analysis has been carried out on each trial area to understand two key points:

- + Whether residents are recycling effectively and what changes could be made to householder communications to improve the quantity and quality of the material collected.
- + To give an understanding of the composition of the feedstock recycled and markets would be receiving.

It also provides an understanding of householder behaviour and habits about how they present the material for recycling.

The timing and quantities assessed in these analyses have been important to get representative samples from each local authority and to make them statistically robust.

It was decided to complete two analyses for each pilot authority. In order to let householders become familiar with the service, it was decided not to analyse the material in the very early stages, with the first analysis taking place around one month after the service started.

The second analysis was completed around six months after the first, to assess the composition after the scheme had become established, and to assess how behaviours might have changed over time.

Seven waste composition analyses have been completed so far:

- + Cheltenham Borough Council – November 2022 and July 2023.
- + South Gloucestershire Council – December 2022 and June 2023.
- + Maldon District Council – June 2023.
- + Somerset Council – July 2023.
- + Newcastle City Council – August 2023.

The analyses provide a number of datasets to represent the target versus non-target material, both by weight and number of items, the composition of these, and variables around the polymer composition, ink coverage and bag weights. These are:

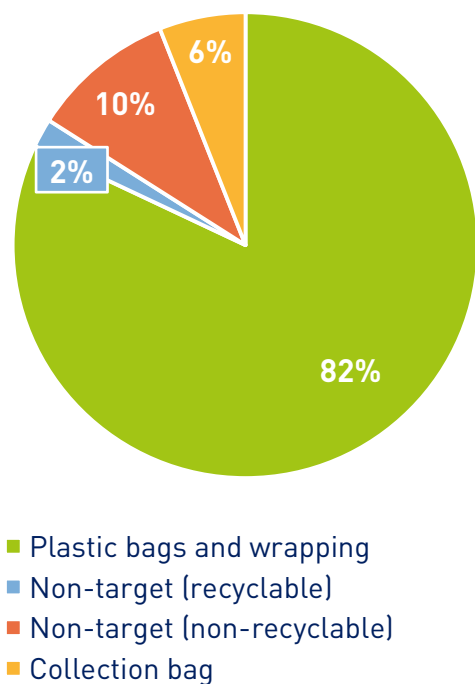
- + Overall composition – weight and number of items.
- + Detailed composition – nine categories plus the collection bag.
- + Polymer composition – PE mono, PP mono, metalised, other and collection bags.
- + Ink coverage – clear, 1-80% coloured, 80-100% coloured, for PE and PP.
- + Bag weights – average bag weight and the heaviest and lightest bag weight.

The total quantity of material analysed across all seven analyses was 711 bags, weighing 197kg and including 41,830 items.

Overall composition

The overall composition summary from the five analyses that took place in 2023 provides the most accurate representation of the data. This focus on the data from the 2023 analyses was due to slight refinement of the material categories and impacts from inclement weather in two analyses in November and December 2022. The latter resulted in the collection bags from one local authority having water and excess moisture from being stored outside after collection. The total quantity of material analysed across these five analyses was 541 bags, weighing 145kg and including 31,377 items.

Figure 58 • Overall composition



The overriding observation across all of the analyses is that the material is largely target material and clean.

The majority of the material was target material (88%) which comprised 82% plastic bags and wrapping, and 6% collection bags. The weight of the collection bags is not insignificant but is the only realistic option, at present, for collecting plastic bags and wrapping from kerbside collection services.

A relatively small quantity of non-target and recyclable material was present (2%), which consisted of rigid plastic packaging (bottles, pots, tubs and trays), paper and card, and a very small quantity of steel and aluminium cans.

10% was non-target and non-recyclable material and this is considered within kerbside recycling normal operating tolerances, and certainly better performing than previous schemes to collect plastic bags and wrapping.

However, visual inspections of the material do not indicate 10% non-target non-recyclable material and the actual figure, based on anecdotal evidence, is estimated to be around 6-7%.

This difference is due to water and excess moisture present in the material after being exposed to rain and damp conditions from being stored outside after collection.

Water that would normally be present in or on the collection bag is weighed as part of the analysis. The collection bag is weighed, the contents removed and the items in the main categories weighed separately.

The remaining weight is the 'other / residual (unsorted)' items at the bottom of the collection bags – which consequently would include the weight of water and excess moisture in the collection bag dispersed when the items are removed.

This 'other / residual (unsorted)' fraction makes up around half (thus 5%) of the 10% 'non-target (non-recyclable)' category alongside 'non-recyclable items' and 'compostables' and 'contaminated packaging'.

With the 'other / residual (unsorted)' fraction often having very little material in it, it can be assumed that this fraction contains any water and excess moisture present.

Therefore, the overall 'non-target (non-recyclable)' material is estimated to be towards the lower end of the 5-10% range. This will be investigated further in future material composition analysis.



Number of items

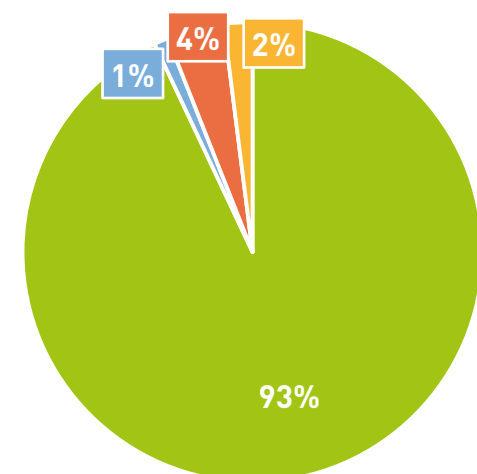
When looking at the composition of the number of items, 95% of the items were target material, which consisted of plastic bags and wrapping (93%) and collection bags (2%), with the remaining 5% made up of non-target non-recyclable material (4%) and non-target recyclable items (1%).

The number of items for each of the main categories from the total 31,377 items in the five-material composition analysis completed so far in 2023 are as follows:

- + Plastic bags and wrapping – 29,039
- + Non-target recyclable items – 365
- + Non-target non-recyclable items – 1,432
- + Collection bag – 541

This data also backs up the estimate that, based on a weight-based analysis, due to water and excess moisture in the material the 10% non-target non-recyclable material fraction is more likely to be around 7.5%.

Figure 60 • Number of items (%)

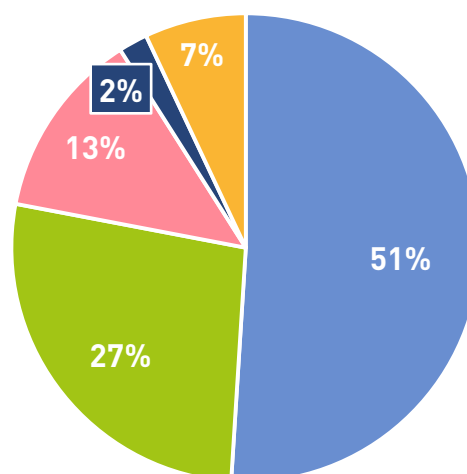


- Plastic bags and wrapping
- Non-target (recyclable)
- Non-target (non-recyclable)
- Collection bag

Polymer composition

The composition of the flexible plastic packaging mainly consisted of mono non-metallised PE and PP (85%), with PE being the most prominent polymer type (51%), followed by PP (27%) and the PE collection bags (7%). The remaining material consisted of metallised material (13%), which is used in crisp packets and sweet wrappers etc, with 2% all other flexible plastic packaging, including laminates.

Figure 61 • Polymer composition (%)



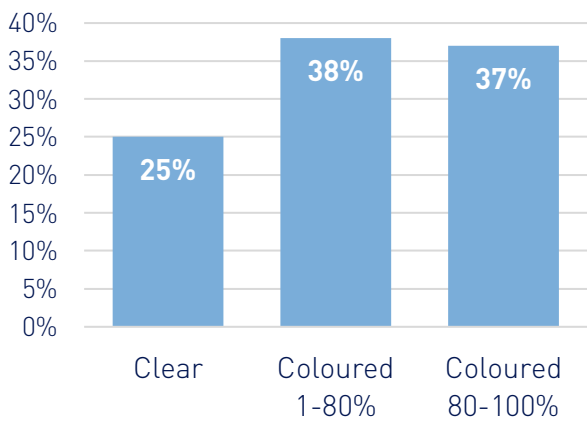
- PE mono
- PP mono
- Metalised
- Other
- Collection bag

Ink coverage

There are a range of ink colours used in plastic bags and wrapping.

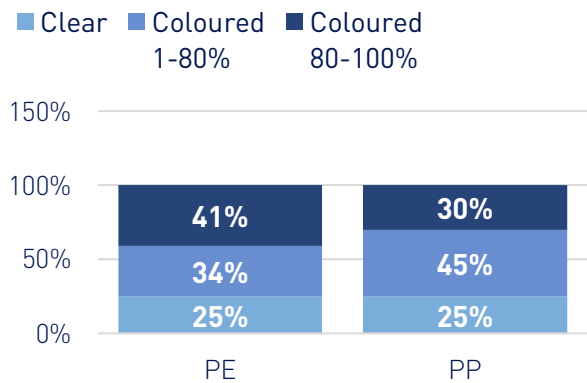
A total of 25% had no, or next to no, ink coverage, and 75% had some level of coloured material. This consisted of 38% which had an estimated 1-80% coloured material and 37% which had 80-100% coloured material.

Figure 62 • Ink coverage (%)



The level of ink coverage varied between whether the polymer was PE or PP. In the heavily inked 80-100% coloured range, 41% was PE whilst PP was significantly lower at 30%. However, it was the opposite result in the 1-80% coloured range where 34% of PE was noticeably lower than 45% for PP.

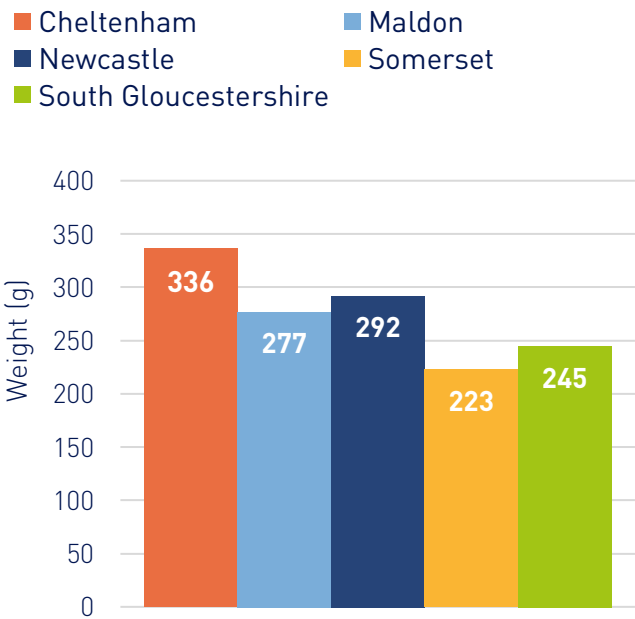
Figure 63 • Polymer type ink coverage (%)



Average bag weights

The average bag weight across the five material composition analyses that have been completed so far in 2023 was 275g, with Cheltenham having the heaviest average bag weight at 336g, and Somerset the lightest at 223g.

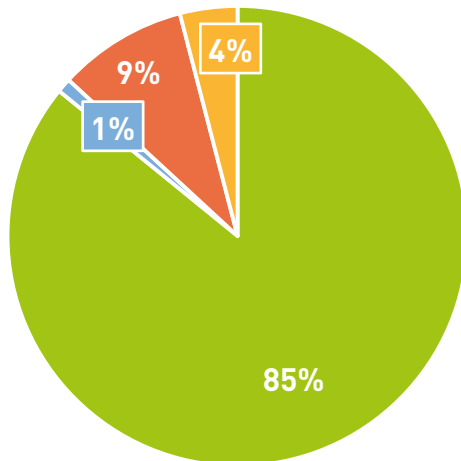
Figure 64 • Average bag weight per trial (g)



Overall composition by local authority

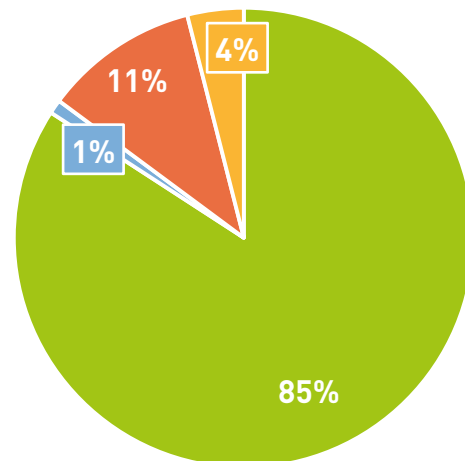
The overall composition of the five material assessments that took place in 2023 are as follows.

Figure 65 • Overall composition (%)
Maldon (June 2023)



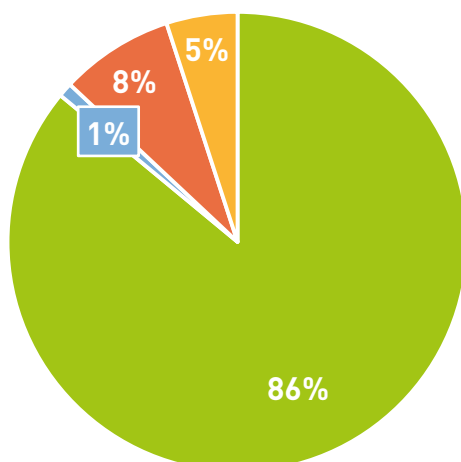
- Plastic bags and wrapping
- Non-target (recyclable)
- Non-target (non-recyclable)
- Collection bag

Figure 67 • Overall composition (%)
Cheltenham (July 2023)



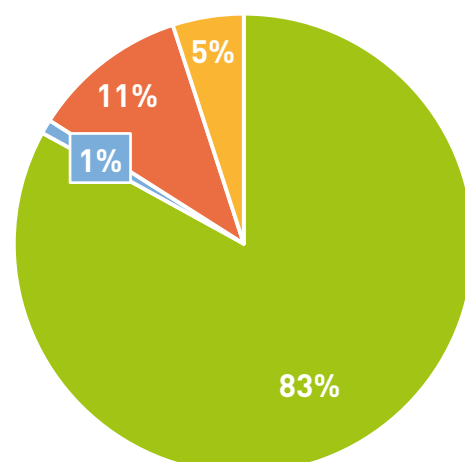
- Plastic bags and wrapping
- Non-target (recyclable)
- Non-target (non-recyclable)
- Collection bag

Figure 66 • Overall composition (%)
South Gloucestershire (June 2023)



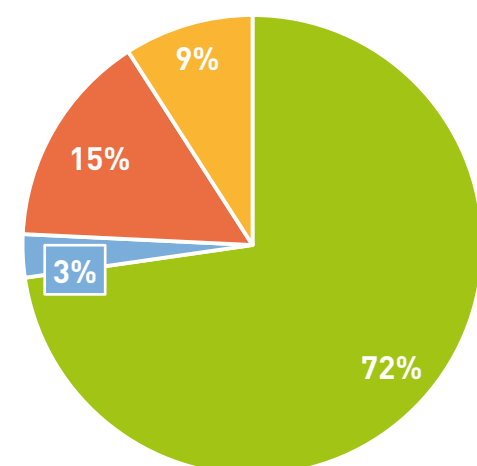
- Plastic bags and wrapping
- Non-target (recyclable)
- Non-target (non-recyclable)
- Collection bag

Figure 68 • Overall composition (%)
Somerset (July 2023)



- Plastic bags and wrapping
- Non-target (recyclable)
- Non-target (non-recyclable)
- Collection bag

Figure 69 • Overall composition (%) Newcastle (August 2023)



- Plastic bags and wrapping
- Non-target (recyclable)
- Non-target (non-recyclable)
- Collection bag

The range for each category is as follows:

- + Plastic bags and wrapping – 72% (Newcastle) to 86% (South Gloucestershire).
- + Non-target (recyclable) – 1% (Maldon, South Gloucestershire, Cheltenham, and Somerset Council) to 2% (Newcastle).
- + Non-target (non-recyclable) – 8% (South Gloucestershire) to 15% (Newcastle).
- + Collection bag – 4% (Cheltenham and Maldon) to 9% (Newcastle).

The collection bag weight for Newcastle (27g) was higher than the other local authority areas (12g), which accounted for the 5% variation in composition across locations.

As previously mentioned, the 88% target material across all five material composition analyses completed so far in 2023 consisted of plastic bags and wrapping (82%) and the collection bag (6%). This total varied between 81-91% as follows:

- + Maldon – 89%
- + South Gloucestershire – 91%
- + Cheltenham – 89%
- + Somerset – 88%
- + Newcastle – 81%

Newcastle's presentation and collection approach differ slightly to the other four pilot areas analysed. In Newcastle, bagged material is presented inside a partially co-mingled bin, whereas in the other areas, bags are presented visible to crews next to other recycling or inside a small recycling box.

Crews in Maldon, South Gloucestershire, Somerset and Cheltenham are expected to sticker and reject contaminated bags at the kerbside, whereas in Newcastle it is not practical or safe for crews to search through bins for contaminated bags. This could be an explanation for the results outlined here.

Similarly, Newcastle is the only project of the five analysed to use a thick, 50micron collection bag (compared to 18-20micron for the others), which explains the increased weight. This is because the bags need to withstand collection, compaction and bulking at a transfer station as well as a materials recycling facility process.

How material is presented

Analysing the composition of the material provides data about the composition of the material, but also householder behaviour with regards to how material is collected and presented for recycling. Different approaches to presentation have the potential to impact how the flexible plastic packaging is processed at a materials recycling facility or end market destination.

One key example was the presentation of flexible plastic packaging in several smaller bags within the collection bag. This behaviour has the potential to change the way the flexible plastic packaging behaves in the materials recycling facility. Similarly, the presentation of folded crisp packets, which, although unlikely to cause any significant sorting impacts, is an interesting example of householder behaviour.



End markets

Understanding the technical and commercial capabilities and considerations of the recycling end markets for flexible plastic packaging is an essential part of the Flexible Plastic Fund FlexCollect project.

End markets are defined as material sorting and reprocessing to produce a washed flake or pellet, or chemical recycling output, that can be used as a raw material to manufacture new products. These could involve:

- + Material sorting of FlexCollect flexible plastic packaging from other materials and into different flexible plastic packaging polymers or formats (e.g. mono-material vs laminates).
- + Intermediate processes like washing and flaking.
- + Producing the final product.

The end markets delivery activities have been split into two broad delivery areas – an end markets research report and recycling trials.

End markets research report

In order to provide a firm foundation and framework to operate within, RECOUP and SUEZ worked collaboratively to research and produce a report to understand both the technical and commercial considerations of recycling flexible plastic packaging collected from kerbside services.

This process included investigating and validating existing material sorting facilities, and mechanical and chemical reprocessors that can, or potentially could, recycle the collected material.

This was done to provide an understanding of two key areas:

- 1) Technical capabilities to process the various polymer and packaging format types in this material stream.
- 2) Commercial considerations for processing the material.

To do this effectively, specific questions were researched for each facility:

- + Material feedstock requirements / specifications.
- + External processes to the facility they are dependent upon – e.g. sorting requirements or material washing.
- + Brief overview of operations, technologies and processes used.
- + Material outputs produced – products and / or material specifications.
- + Production capacity and any plans for expansion.
- + Commercial information for kerbside flexible plastic packaging – gate fee to accept material / value of the products produced / material processing costs (against using standard feedstock).
- + Willingness to accept material for a recycling trial and quantity that can be accepted.

The facilities were broadly split into two primary activities – mechanical recycling and chemical recycling. For mechanical recycling, these activities were further split into four areas:

- + Plastic lumber, board or sheet.
- + Plastic film products.
- + Wash, shred and extrude.
- + Other.



Recycling trials

Facilities were selected to run trials using a number of considerations targeting those facilities that can currently process the material and based on their willingness to be involved in a trial. The selection criteria was as follows:

- ⊕ Ability to process the material.
- ⊕ Willingness to process the material.
- ⊕ The product(s) manufactured.
- ⊕ Quantities that were able to be processed.
- ⊕ Processes that need to take place before the material is accepted for processing.
- ⊕ Processes that need to take place after the material is processed in order to manufacture a recycled end product.
- ⊕ Cost in terms of gate fees and use of Packaging Recovery Notes to accept the material and any further processing costs that are needed to be covered.
- ⊕ The ability for brands and other stakeholders (that have a commercial interest in purchasing recycled end products) to buy back the end product that is produced.

As there were a relatively small number of households that took part in the initial stages of the project, only small amounts of material were available for trials. This led to initial, smaller trials and focused on the plastic film manufacturer and recycler, Berry BPI, who assessed one tonne of material, which is being used to inform their future strategy about processing post-consumer flexible plastic packaging.

This was followed by a trial with Plastecowood, a company that produces plastic lumber products which, subject to some operational and commercial considerations, was a successful trial. This also used one tonne of material.

Following these, the focus shifted towards a trial using a minimum of a 'full load' of material (15-20 tonnes). A trial took place at a new facility, Stirling Polymers, to sort, shred and extrude material to produce a pellet. Again, subject to operational and commercial considerations, the material could be processed at this facility.

As material quantities build, several other full load trials are being planned in Q4 2023 and Q1 and Q2 in 2024. These include Meplas Ltd, a plastic reprocessor in the UK that can wash, shred and extrude the material to produce a pellet as a reduction to virgin pellets in manufacturing processes in the UK.

In the chemical recycling category, ReNew ELP, a subsidiary of Mura Technology and Mura's first commercial-scale HydroPRS™ advanced recycling site, located in Teesside, are set to commence commercial operations in 2024

A series of smaller trials also took place, using laboratory-based analysis and small pilot plants that demonstrate the capability of various technologies to recycle the material. Quantities varied between 2.5-18kg and trials included ReVentas, a company that is developing a technology to remove odours, colours and contaminants to produce a clear pellet. The success of this has led to FlexCollect providing one tonne of material to ReVentas for larger trials.

Other laboratory-based trials took place with Remarkable Energy and Sylatec, both developing chemical recycling technologies.

Another trial took place with Teesside University's Net Zero Industry Innovation Centre (NZIIC) – a new £13.1m facility which draws on the university's expertise in clean energy and sustainability. The facility includes the Circular Economy and Recycling Innovation Centre (CERIC) and houses the Circular Economy Lab, which has the capability to process a range of materials through mechanical and chemical technologies.

There are also ongoing discussions and visits to a variety of facilities, both in the UK and overseas. These include: Eurokey, Jayplas, Fibreright, Impact Recycling, Ecoo (Belgium), Prodelix (Portugal) and Plastic Energy (Spain).

Learnings are being developed as trials progress, and the key operational requirement is to meet feedstock requirements for reprocessors through effective sorting. This has technical and commercial requirements and means a staged set of processes needs to be in place to recycle this material as effectively and efficiently as possible. From a commercial viewpoint, use of the Packaging Recovery Notes is needed as price support to make the processing of the material commercially viable.

Cost modelling for reprocessing flexible plastic packaging is currently in its infancy. Further detail will be shared in the final project report.



Summary

Operations

The project has been successful in recruiting and launching trial collection services for flexible plastic packaging in a range of waste collection authorities, covering the main collection types (source segregated, twin stream and co-mingled), frequencies (weekly and fortnightly) population densities (urban through to very rural) and socio-demographics (low, medium and high deprivations).

Each trial has integrated the collection of flexible plastic packaging into current operations seamlessly, with no issues regarding space on vehicle, frequency of tipping or impact on collections operatives. The project is collecting a consistent set of data across all pilot authorities, including participation, weight, volume and costs. For participation, two datasets were collected – one set continuously collected giving a proxy calculation for participation (Operational Participation Rate) and a second set collected through Resource Futures giving participation data to Defra standards (Industry Standard Participation Rate).

There is a clear link between frequency of collection, and the number of bags presented per household per week. This is further supported by the industry standard participation monitoring which demonstrates that more frequent collections result in higher levels of participation (47% participation for fortnightly and 64% participation for weekly collections).

While more data is required for validation, these findings show that a weekly collection could drive higher participation and therefore more material collected.

Figure 70 • Operational data key findings

Parameter	Data
Average weight presented by participating households per collection bag across all pilots	291g
Average weight collected per household per week across all pilots ⁸	84g
Bags collected per household per week across all pilots	0.29
Bags collected per household per week for weekly collections	0.46
Bags collected per household per week for fortnightly collections	0.17
Industry standard participation across monitored pilots	60%
Industry standard participation across weekly collection pilots	64%
Industry standard participation across fortnightly collection pilots	47%

⁸ Average weight collected per household per week across all pilots is a measure including all households within the trial area who are eligible to participate, not just those who are participating.

Communications

Doorstep surveys have given an indication of the influence of communications on residents' understanding of the project, satisfaction with the trial service and satisfaction with the communications.

Unsurprisingly, householders have a better understanding of the service and more satisfaction, with both it and the communications, if the initial bags and communications deliveries are completed efficiently and effectively. Where there have been issues with the delivery of bags and communications, there is a clear drop in awareness and satisfaction, as highlighted in figure 71. This is also seen in the performance of collections, particularly participation levels and the amount of material collected. It is therefore recommended that the reliability of delivery methods is prioritised when considering options for distributing both communications and collection bags.

Figure 71 • Doorstep research findings (%)

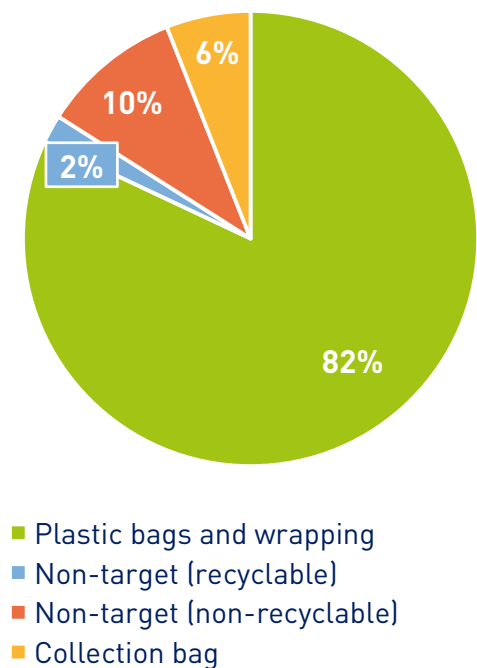
	South Gloucestershire	Newcastle	Cheltenham	Maldon
Aware of pilot	95	89	76	68
Received comms	93	77	73	56
Received bags	95	91	43	75
Received comms and bags	91	76	41	54
Recycling 1+ item in pilot	81	65	42	42
Recycling 1+ item in pilot (received comms and bags)	85	74	93	71
Very / fairly satisfied with pilot (those participating)	96	95	96	89
Service very / fairly well communicated (those receiving all comms)	91	89	98	85

Composition

The composition of collected flexible plastic packaging was analysed to gain insight into the composition of the feedstock for recycling end markets, as well as to understand whether residents are effectively recycling the right materials, thus testing the effectiveness of the communications.

Figure 72 details the overall composition, based on five analyses. Flexible plastic packaging material collected is predominantly target material and generally of a good, clean quality. The 10% contamination rate is typical for normal kerbside recycling scheme and certainly an improvement on previous flexible plastic packaging collection trials.

Figure 72 • Overall composition (%)



The composition of the flexible plastic packaging was predominantly mono non-metalised PE and PP (85%), with PE being the most prominent type (51%). Ink coverage was significant, with only 25% having no, or next to no, ink coverage. Additional analyses will take place in 2024.

End markets

The availability of effective sorting infrastructure is currently a barrier to widespread collection and reprocessing of flexible plastic packaging. This is a known challenge related to the current lack of collections or infrastructure.

Reprocessing trials have started with encouraging results, but have been limited by the amount of material collected. Good results were observed from a company who produced plastic lumber products. Another company who sort, shred and extrude material to produce a pellet were also able to process the flexible plastic packaging material, subject to operational and commercial considerations. The pace of this programme will increase as the collection trials expand and more material is collected for more expansive sorting and recycling trials.

As collections, sorting and recycling trials are still being undertaken and the process ‘industrialised’, we have chosen not to include costs in this report at this time. Costs in different options and choices is a key area of work that is a fundamental part of the project and reported outcomes.

Next steps

A further two pilot authorities are set to join the project in the early part of 2024, with the focus then turning to expanding the nine trial services to additional households, with the intention of delivering learnings at scale.

Project partners

SUEZ recycling and recovery UK

SUEZ recycling and recovery UK employs over 5,600 people, operating across hundreds of sites, and handles in excess of 10 million tonnes of waste materials every year – a significant proportion of the UK's total waste. Through collection, treatment, recycling and logistics operations, it serves more than 30,000 business customers and millions of householders throughout the country. Visit www.suez.co.uk to find out more.

WRAP

WRAP is a climate action NGO working around the globe to tackle the causes of the climate crisis and give the planet a sustainable future. Our vision is a thriving world in which climate change is no longer a problem. We believe that our natural resources should not be wasted and that everything we use should be re-used and recycled. We bring together and work with governments, businesses and individuals to ensure that the world's natural resources are used more sustainably. Our core purpose is to help tackle climate change and protect our planet by changing the way things are produced, consumed and disposed of.

For more information, visit wrap.org.uk

RECOUP

RECOUP is the UK's leading independent authority and trusted voice on plastics resource efficiency and recycling. As a registered charity, our work is supported by members who share our commitments including a more sustainable use of plastics, increased plastics recycling, improved environmental performance and meeting legislative requirements. We achieve these by leading, advising, challenging, educating and connecting the whole value chain to keep plastics in a circular system that protects the environment, underpinned by evidence and knowledge.

For more information, visit www.recoup.org

Ecosurety

Ecosurety is the market-leading packaging compliance scheme committed to accelerating change towards an environmentally sustainable world. It ensures its members comply with the EPR regulations and enables them to make sustainable packaging decisions via data and insights. Ecosurety supports efficient and transparent investment in circular economy projects through improved infrastructure, innovation and consumer awareness campaigns. B Corp certified since 2020, Ecosurety is committed to the balancing of profit with social and environmental performance.

The Flexible Plastic Fund

The Flexible Plastic Fund is a collaborative fund giving value to flexible plastic films, so they are properly recycled.

Managed by market-leading producer responsibility compliance scheme Ecosurety, the Fund was established in May 2021 by five founding partners: Mars UK, Mondelez International, Nestlé, PepsiCo and Unilever. Partners of the Fund now include Abel and Cole, Eat Real, Ella's Kitchen, Kiddylicious, Koninklijke Douwe Egberts, KP Snacks, Lotus Bakeries, McCain Foods, Natural Balance Foods, Ocado Retail, pladis, Proper Snacks, The Collective, Vitaflo and Yeo Valley Organic.

The Fund explores how to support the recycling of flexible plastic packaging in two ways: through kerbside pilots and via retail collections. Launched in 2022, the Flexible Plastic Fund FlexCollect project is a series of pilots collecting flexible plastic packaging from households via kerbside collections in nine local authorities. The project, which runs until 2025, will also investigate different recycling technologies. The retail project supports the recycling of flexible plastic packaging collected by supermarkets. There will be full visibility on the recycling journey of flexible plastics collected by participating retailers through to their recyclers.

For more information, visit flexibleplasticfund.org.uk

Brands supporting the Flexible Plastic Fund

Abel & Cole
Easy Organic Everything

Eat Real

Ella's
kitchen

JDE
JACOBS DOUWE EGBERTS

KIDDYLICIOUS

KP Snacks

Lotus
Since 1932

MARS
Tomorrow starts today

McCain
We are family

Mondelez
International
SNACKING MADE RIGHT

natural balance foods
WHOLEFOOD WONDERS

Nestlé

Ocado

PEPSICO

pladis

PROPER

COLLECTIV

Unilever

Vitaflo
Enhancing Lives Together

Yeo Valley
ORGANIC

Defra

We are responsible for improving and protecting the environment. We aim to grow a green economy and sustain thriving rural communities. We also support our world-leading food, farming and fishing industries.

Our broad remit means we play a major role in people's day-to-day life, from the food we eat, and the air we breathe, to the water we drink.

We are here to make our air purer, our water cleaner, our land greener and our food more sustainable.

Our mission is to restore and enhance the environment for the next generation, leaving it in a better state than we found it.

For more information, visit www.gov.uk/government/organisations/department-for-environment-food-rural-affairs

UK Research and Innovation

UK Research and Innovation (UKRI) is the largest public funder of research and innovation in the UK, with a budget of around £8bn. It is composed of seven disciplinary research councils, Innovate UK and Research England.

We operate across the whole country and work with our many partners in higher education, research organisations businesses, government and charities.

Our vision is for an outstanding research and innovation system in the UK that gives everyone the opportunity to contribute and to benefit, enriching lives locally, nationally and internationally. Our mission is to convene, catalyse and invest in close collaboration with others to build a thriving, inclusive research and innovation system that connects discovery to prosperity and public good. Find out more at www.ukri.org

Zero Waste Scotland

Zero Waste Scotland is a not-for-profit environmental organisation funded by the Scottish Government.

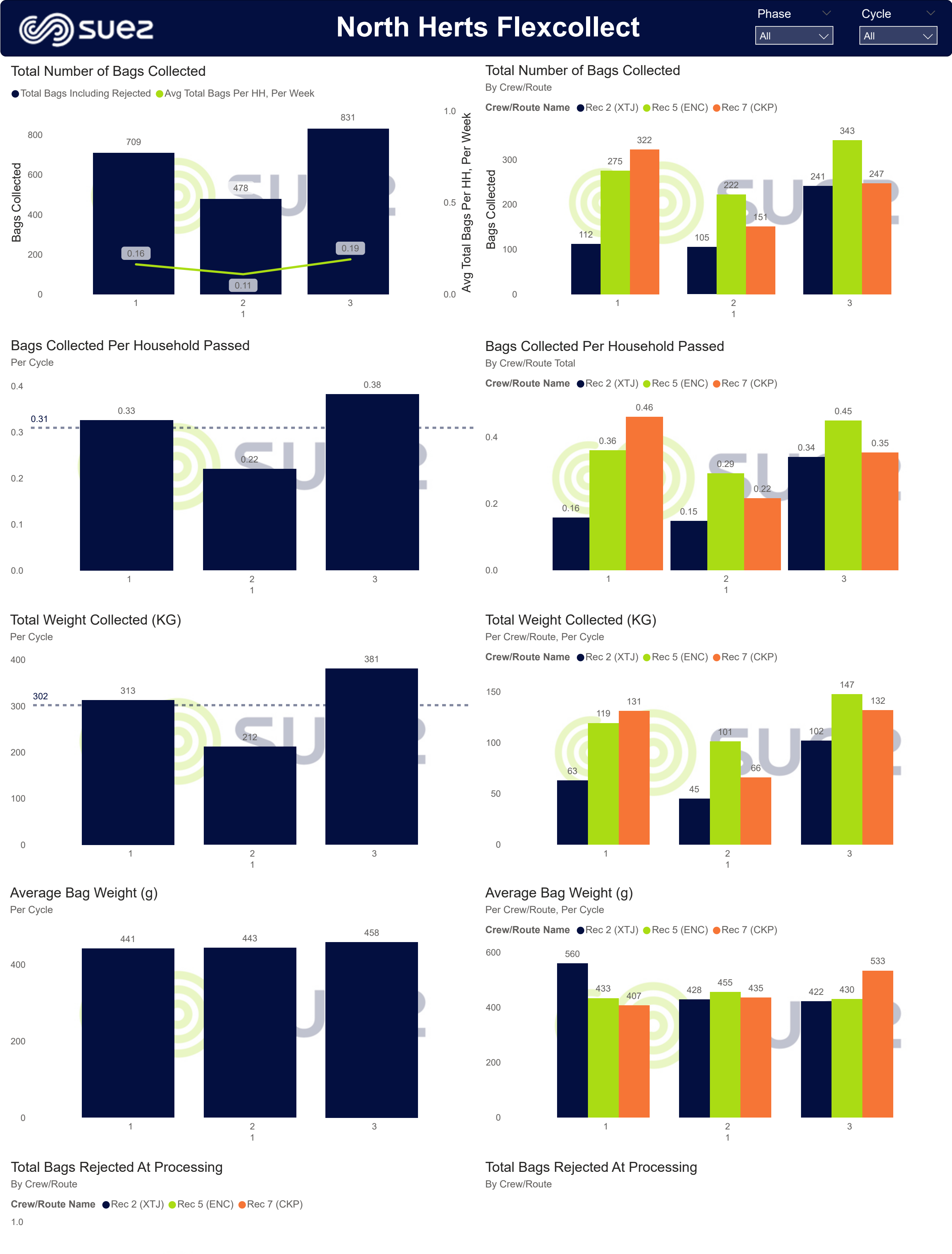
We exist to lead Scotland to use products and resources more responsibly, focusing on where we can have the greatest effect on reducing climate change together through responsible consumption, responsible production and maximising value through waste.

For more information, visit www.zerowastescotland.org.uk



SUEZ recycling and recovery UK,
SUEZ House, Grenfell Road
Maidenhead, Berkshire SL6 1ES
www.suez.co.uk





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CABINET
19TH March 2024

PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: Shared Prosperity Fund process and proposed allocation for 2024/5 spend

REPORT OF: The Enterprise Manager

EXECUTIVE MEMBER: Councillor Keith Hoskins – Executive Member for Enterprise and Arts

COUNCIL PRIORITY: A BRIGHTER FUTURE TOGETHER

1. EXECUTIVE SUMMARY

A report to set out the delegated approval (for Executive Members and Service Directors) process for the UK Shared Prosperity Fund allocation. This report also sets out the proposed remaining plans for the 2024/2025 UK Shared Prosperity spend. We are seeking Cabinet's endorsement of the outline proposals in preparation for the 2024/2025 allocation.

2. RECOMMENDATIONS

That Cabinet:

- 2.1. considers and approves the proposed outline distribution of funding allocated (£510,000) to the Council by the Department for Levelling Up Housing and Communities for 2024/5 under the UK Shared Prosperity Fund;
- 2.2. recommends to Full Council the approval of up to £518,000 capital investment for the Solar for Business Programme, in addition to the £51,285 capital funding from the UK Shared Prosperity Fund.
- 2.3. delegate approvals of individual grants and payments under the Fund to the relevant Executive Members and Service Directors, as identified with reference to Directorates in table 8.1.
- 2.4. approves the updated Cabinet Capital and Revenue Grants Panel's Terms of Reference, Appendix C.

3. REASONS FOR RECOMMENDATIONS

- 3.1. The Council will be provided with funding in April 2024 to allocate to schemes which were originally outlined in the Council's UK Shared Prosperity Fund (UK SPF) Investment Plan that was submitted in July 2021. This plan was approved by Department for Levelling Up Housing and Communities (DLUHC) in January 2022.

3.2. The Funds regulations allow considerable flexibility in how the Council allocates funding and under which approved UK SPF Activities. Officers presented a report to the Leadership Team on 5th February 2024, which outlined how we are proposing to spend the remainder of the Fund in line with the UK SPF criteria set. The Leadership Team agreed with the proposal in principle, and therefore it has been brought to Cabinet for further consideration.

3.3. Once final approval has been obtained, the individual projects will be managed by the relevant North Herts Council (NHC) service areas. We are seeking approval to delegate approval of spend decisions, payments or grants made under the scheme to the relevant Executive Members and Service Directors, as identified under table 8.1 of this report.

4. ALTERNATIVE OPTIONS CONSIDERED

4.1. Should the Council not agree an allocation and therefore not spend the funding, the regulations state we must return the funding to DLUHC.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

5.1. Consultation has been undertaken with the Leadership Team (who have proposed items for scheme) and Political Liaison Board. The final proposal seeks to reflect a balanced distribution of the funding across Council service areas.

5.2. The Leader and Deputy Leader, together with Executive Member and Deputy for Community & Partnerships were forwarded a copy of the proposed updated Panel's terms of reference (Appendix C) on 5 March for comment.

5.3. External organisations and stakeholders, such as the BID organisations, have also been consulted as to their current plans and these have been taken into account in the final proposal.

6. FORWARD PLAN

6.1 This report contains recommendations on a key decision which was added to the Forward Plan on 16th February 2024.

7. BACKGROUND

7.1. The UK Shared Prosperity Fund (UK SPF) was originally Launched by DLUHC in April 2021. The SPF would provide funding to every English and Welsh District and Unitary Authority over three years from April 2022 to March 2025.

7.2. The allocations set for each year are specific to each Council.

7.3. The funding was subject to the Council producing an SPF Investment Plan submitted prior to the 1st August 2021 and to DLUHC approval of it, which was provided in January 2022 (please refer to Appendix A – North Herts SPF Investment Plan for further detail).

7.4. The first two years funding was relatively small and has been totally allocated and largely distributed.

- 7.5. The majority of the 2024/5 funding has been allocated to specific projects, notably the 'Outdoor Exercise Programme', the 'Moving Forward Together Programme' and North Herts contribution to the 'pan-Hertfordshire Business Support and People and Skills Programmes'.
- 7.6. There remains some flexibility in the allocations to the unallocated portion of the 'Town Centre Improvements Programme' (approximately £190,000) and the 'North Herts Prosperity Fund' (approximately £320,000), which is what this report is referring to and seeking approval on. Further details on these allocations are set out below.

8. RELEVANT CONSIDERATIONS

- 8.1. Following consultation, it is proposed that the £510,000 (Town Centre Improvements Programme plus the North Herts Prosperity Fund) balance should be allocated as follows:

	Project Title	Suggested Spend	Further notes, Directorate allocation. Relevant Executive ¹
A)	Towns Centre Improvements Programme	£90,000	A&B interchangeable depending on applications <i>Directorate: Regulatory</i>
B)	Parishes and Community Projects	£210,000	A&B interchangeable depending on applications <i>Directorate: Legal & Community*</i>
C)	Solar for Business Project	£95,000	Budget Balancing Item <i>Directorate: Place</i>
D1)	Visit Herts Membership	£5,000	<i>Directorate: Enterprise & the Arts</i>
D2)	Herts Film Office Membership	£10,000	In addition to our current FamePro partnership <i>Directorate: Enterprise & the Arts</i>
E)	Healthy Hub and Health Inequalities Schemes	£100,000	<i>Directorate: Legal & Community</i>
	Total	£510,000	

8.2.1 A) Town Centre Improvements Programme

With no big capital projects on the horizon aside from the Churchgate project (see below), we suggest reducing the town centre improvements specific funding by £100,000 leaving a remaining balance of £90,000 for 2024/5 after the existing requests have been paid for. Please see below for an outline of potential projects that have already been

¹ NB These are currently listed in section 14 of the Constitution. However the titles of the Executive Members have not been set out as these titles may change post-election in May 2024,

suggested for the town centres (consulted with and put forward by the town centre representatives);

- Bench renewal/repair and seed funding in Baldock (in consultation with the Baldock Traders Association)
- An expansion of the floral display in Hitchin (in consultation with Hitchin BID)
- Wayfinding Boards for all towns (in consultation with all North Herts Towns)
- Completion of the town improvement programme consultancy work across all towns (in consultation with all North Herts Towns)

The Churchgate project remains the major development town centre infrastructure project. The Enterprise team, alongside the Estates team are working on estimates for the interim repairs and minor improvement work set out in the work schedule led and managed by Brown & Lee.

The potential for spend under this strand could increase as Towns may also apply for funding and be judged under the Parish and Community Groups Scheme (B below).

B) Parish & Community Group Schemes

The Economic Development, Community Partnerships and Policy & Strategy teams will work together to write a criteria paper that allows Parish Clerks (or similar) and Community Group representatives to apply for the SPF money available.

The criteria will use aspects from the SPF guidance and supporting documents as well as the Councils current grants scheme application process. All Parish Clerks and Community Groups will then be briefed on the scheme and encouraged to submit projects (that align with the criteria) that they would like to undertake, including how much match funding (cash or in kind) they can provide towards it. There is no set amount per parish, group or scheme. Both teams will then review the proposals received alongside the relevant Executive Members (of both service areas) and award funding according to the criteria set on the basis of outputs, outcomes, legacy, contribution from the applicant and value for money.

There are no prescribed Capital/Revenue split on the funding (however we expect that at least 40% will be capital spend), which leaves the scope quite wide for Parishes and other community groups.

*Following discussions with the Political Liaison Board, it was thought that this allocation would, in the first instance, be considered by the District Panel – and *Appendix C* sets out the proposed amendments to that Panel, to make it clearer that it can consider both internal and external funding pots prior to the Executive Member decision. The Service Director: Legal & Community has also updated the Panels Terms, to reflect an increased quorum, a desire (rather than necessity) for political balance and updated administrative titles.

C) The Solar for Business Scheme

This project is being led by the Council's Climate Change Project Manager and the Enterprise Team and is being proposed using a similar model to that of West Suffolk Council's own successful scheme.

Under this scheme, the Council invests in the supply and installation of solar technology (solar PV panels) for a selected group of local businesses. The businesses use the electricity generated at a reduced tariff, with any excess power generated sold back to the Grid. The tariff and share of the energy sold to the Grid is governed by a Power Purchase Agreement between the User business and the Council.

The tariff income is pitched at a level to repay the investment over a 6–13-year period, with any income generated up to 25 years (estimated lifespan of equipment) is surplus to reinvest.

The UK SPF allocation will be to assist with set up costs for a pilot of the scheme. Alongside this, the Council will be requested to approve a capital allocation of a maximum of £518,000 to purchase the solar PV panels. The exact amount of capital needed will depend on the size of the businesses involved in the pilot project. See Appendix B for 'Solar for Business business case' for the range of costs and options available, as well as more information on this scheme.

D1) Visit Herts Membership

The remit of Visit Herts is set to change and will be more aligned with our new Economic Development/ Tourism Strategy (due early June 2024) and the Herts Film Office. Visit Herts is the countywide Destination Management Organisation currently producing a new programme strategy. As an ex-member of Visit Herts we felt that their previous offer was not well tuned to the needs of the large number of small tourist, hospitality and leisure venues, often in rural areas that we have in the District.

However, after meeting the Visit Herts team and attending various workshops to understand their objectives, the team believe that their new programme is better aligned to our strategy. We would look to the programme to create a viable destination management programme aimed at increasing the dwell time and spend within our District, by signposting visitors to established venues, our local hospitality and leisure activities available. We propose to rejoin as members of Visit Herts for one year at a cost of £5,000.

D2) Herts Film Office Membership

We did not select the Herts Film Office in our original SPF Investment Plan as North Herts already has a Film Location agent, 'FamePro' under contract. Since inception, the role of the Herts Film Office has grown to include working with local companies who would like to become involved in Film and Media, and building a pipeline of young people with ambitions in the industry to get an insight in to what is involved through working with schools and arranging work experience packages.

These additional services align with our ambitions to get more value added from the film and media industries and promote the district beyond being just a desirable location to shoot movies. The intention is to continue our partnership with FamePro (who often work alongside the Herts Film Office anyway) and enhance our film presence (and income) by also onboarding Herts Film Office. The contribution, in conjunction with the Local Enterprise Partnership will cost £10,000.

E) Additional funding for the Healthy Hub and Health Inequalities Programmes

NHC have already decided to include a three-year continuation of the 'Moving Forward Together' in the Investment Plan with the emphasis of delivery widened to include supporting other Voluntary, Community or Social Enterprise organisations to operate sustainably with more challenging service users who have complex needs. Therefore, to meet the aspirations of this Council to make a difference to the health and wellbeing of our local communities, £100,000 is being requested to expand the work of the Healthy Hub. This will embed a place-based health inequalities programme that tackles the most significant health inequalities across our district and works alongside our Leisure and Active Communities Service who seek to bring a comprehensive physical activity offer to all residents. The health of residents is not solely based on physical wellbeing but also nutritional awareness and mental wellbeing. Wider social determinants of health research notes that increasing physical activity by itself is unlikely to have the desired long-term impact of improving resident's health and outcomes; work to deliver improving the wider determinants of health are also vitally important. Therefore, the proposed placed based health inequalities project seeks to meet this wider health need.

Research has been undertaken to ensure these programmes are located where there are gaps in service provision, as well as ensuring they are targeted at residents experiencing the greatest health inequalities.

Programmes will include:

- Horticultural therapy for people living with or recovering from mental health conditions
- Emotional wellbeing groups (Chat café and craft café) for people with low level depression and anxiety or people experiencing social isolation and loneliness
- Physical and emotional health courses for men (initially), focusing on specific men's health issues. Then expanding to a focus on specific women's health issues
- Food education programmes for families experiencing food poverty
- Wellbeing groups and events for people of all ages experiencing social isolation and loneliness
- Falls prevention and frailty programmes for older people

Additionally, there is a project to enhance the existing outdoor gym equipment available and introduce a whole new site of outdoor gym equipment.

9. LEGAL IMPLICATIONS

- 9.1. The allocation of grant funding is an executive function. This means at this authority, it can, as per section 9E Local Government Act 2000, be discharged by the Leader and Cabinet Executive ("the Cabinet"), by other Executive Member or officer as delegated. The decision being taken is in principle together with allocation and delegation to the Executive and Officers as per table 8.1.
- 9.2. Otherwise, Cabinet has remit under section 5.7.28 of its terms of reference: To make decisions where a policy or strategy does not exist.

10. FINANCIAL IMPLICATIONS

- 10.1. The terms of the UK SPF grant require that a minimum allocation is spent on capital. For 2024/25 the total allocation is £953,561 and at least 20% must be spent on capital (which

equates to £190,712). The anticipated capital expenditure of £331,285 and is more than the required minimum required. We already intend capital spend £100,000 on the Outdoor exercise programme in 2024/5 and anticipate the capital element the allocation of the funding strands in this paper to be as follows:

	Project Title	Suggested Spend	Proportion that is capital spend	Proportion that is revenue spend
A)	Towns Centre Improvements Programme	£90,000	£50,000	£40,000
B)	Parishes and Community Projects	£210,000	£130,000	£80,000
C)	Solar for Business Project	£95,000	£51,285	£43,715
D1)	Visit Herts Membership	£5,000	£0	£5,000
D2)	Herts Film Office Membership	£10,000	£0	£10,000
E)	Healthy Hub and Health Inequalities Schemes	£100,000	£0	£100,000
	Total 2024/25 allocations set out in this table	£510,000	£231,285	£278,715

- 10.2. The additional capital funding (on top of the UK SPF funding) for the Solar for Business scheme will incur revenue costs of capital. These are expected to be up to around 9%. This is made up of Minimum Revenue Provision (MRP) of 5% to reflect a useful life of the solar panels of 20 years, and a medium-term borrowing cost (lost interest from reduced balances) of up to 4%. The first use of the returns will need to cover this cost of capital. Additional returns could then be invested into further panel installations.
- 10.3. The allocations under (A) and (B) will involve a payment to another organisation that has not been subject to Contract and Procurement Rules. In general, these are likely to be outside the scope of the Subsidy Control Act, and where the Act does apply, they are likely to fall under the Minimal Financial Assistance provisions. However, each transaction (or type of transaction) will be assessed against the Subsidy Control Act. It is very unlikely that any payment would be a subsidy that was not allowable, but there may be a need for disclosure on the subsidy website.
- 10.4. The Solar for Business arrangements involve selling energy to businesses at less than the market rate. This will be a subsidy under the Subsidy Control Act. Whilst it is probable that each arrangement with each business would fall under the Minimal Financial Assistance provisions, the Council will look to register the overall project as a Scheme under the Subsidy Control Act.

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. There is a risk of having to return funding to the DLUHC if allocated funding is not spent in line with funding requirements (by 31 March 2025). This is particularly applicable to the proposed 'Solar for Business' pilot project, where the complexity of legal agreements, limited internal capacity to deliver the scheme, and delays in identifying suitable businesses who are committed to participate, pose real challenges to installing solar panels funded by UK SPF by 31 March 2025. The project Risk Log identifies priority risks and considers potential mitigating activities to help us manage associated threats.

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 proposed projects in this report will benefit all members of the community (including those with protected characteristics) and will help improve equality as well as community facilities, community participation and inclusion and support for both individuals and businesses. They demonstrate positive impact on the community as well as foster good relations. As projects progress, Equality Implications will be considered, and Equality Impact Assessments conducted where relevant.

13. SOCIAL VALUE IMPLICATIONS

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

14. ENVIRONMENTAL IMPLICATIONS

- 14.1. There are no negative environmental implications arising as a direct result of this report. The Solar for Business scheme will have positive environmental implications by helping businesses in the district switch to renewable energy. As projects progress, Environmental Implications will be considered, and Environmental Impact Assessments conducted where relevant.

15. HUMAN RESOURCE IMPLICATIONS

- 15.1 There are no known Human Resource implications noted at the time of this report.

16. APPENDICES

- 16.1 Appendix A – 'North Herts SPF Investment Plan'
- Appendix B – 'Solar for Business business case'

Appendix C – ‘Cabinet Capital and Revenue Grants Panel’s Terms of Reference’ amended.

17. CONTACT OFFICERS

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Tim Everitt, Performance and Risk Officer tim.everitt@north-herts.gov.uk; ext 4646

18. BACKGROUND PAPERS

- 18.1 [THE DISTRICT WIDE COMMUNITY FACILITIES CAPITAL & REVENUE GRANTS PANEL](#) 2021

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Expenditure Profile			
Investment Priority	Intervention	UKSPF Allocation	% of Total UKSPF Allocation
Communities & Place	E1: Improvements to town centres & high streets	£357,544	25%
Communities & Place	E2: Community & neighbourhood infrastructure projects	£0	0%
Communities & Place	E3: Creation of and improvements to local green spaces	£0	0%
Communities & Place	E4: Enhancing existing cultural, historic & heritage institutions offer	£0	0%
Communities & Place	E5: Built & landscaped environment to 'design out crime'	£0	0%
Communities & Place	E6: Local arts, cultural, heritage & creative activities	£320,000	22%
Communities & Place	E7: Support for active travel enhancements in local area	£0	0%
Communities & Place	E8: Campaigns to encourage visits and exploring of local area	£0	0%
Communities & Place	E9: Impactful volunteering and/or social action projects	£0	0%
Communities & Place	E10: Local sports facilities, tournaments, teams & leagues	£364,500	25%
Communities & Place	E11: Capacity building & infrastructure support local groups	£105,000	7%

Communities & Place	E12: Community engagement schemes, local regeneration	£0	0%
Communities & Place	E13: Community measures to reduce the cost of living	£0	0%
Communities & Place	E14: Relevant feasibility studies	£0	0%
Communities & Place	E15: Digital connectivity for local community facilities	£0	0%
Communities & Place	Total for 'On-menu' Interventions	£1,147,044	80%
Communities & Place	Insert Bespoke Intervention	£0	0%
Communities & Place	Insert Bespoke Intervention	£0	0%
Communities & Place	Insert Bespoke Intervention	£0	0%
Communities & Place	Insert Bespoke Intervention	£0	0%
Communities & Place	Insert Bespoke Intervention	£0	0%
Communities & Place	C&P Bespoke Interventions Total	£0	0%
Communities & Place	Communities & Place Interventions Total	£1,147,044	80%
Local Business	E16: Open markets & town centre retail & service sector	£0	0%
Local Business	E17: Development & promotion of visitor economy	£0	0%
Local Business	E18: Supporting Made Smarter Adoption	£0	0%
Local Business	E19: Investment in research & development at the local level	£0	0%
Local Business	E20: R&D grants supporting innovative product & service development	£0	0%
Local Business	E21: Development of innovation infrastructure at a local level	£0	0%

Local Business	E22: Enterprise infrastructure & employment / innovation sites	£0	0%
Local Business	E23: Strengthening local entrepreneurial ecosystems	£52,500	4%
Local Business	E24: Training hubs, business support offers, incubators & accelerators	£0	0%
Local Business	E25: Bid for & host international business events & conferences	£0	0%
Local Business	E26: Growing the local social economy	£0	0%
Local Business	E27: Develop angel investor networks	£0	0%
Local Business	E28: Export grants to grow overseas trading etc.	£0	0%
Local Business	E29: Supporting decarbonisation & improvemening natural environment	£0	0%
Local Business	E30: Business support measures to drive employment growth	£90,000	6%
Local Business	E31: Support relevant feasibility studies	£0	0%
Local Business	E32: Investment to protect from natural hazards, flooding and coastal erosion	£0	0%
Local Business	Total for 'On-menu' Interventions	£142,500	10%
Local Business	Insert Bespoke Intervention	£0	0%
Local Business	Insert Bespoke Intervention	£0	0%
Local Business	Insert Bespoke Intervention	£0	0%
Local Business	Insert Bespoke Intervention	£0	0%
Local Business	Insert Bespoke Intervention	£0	0%
Local Business	LB Bespoke Interventions Total	£0	0%
Local Business	Local Business Interventions Total	£142,500	10%

People & Skills	E33: Employment support for economically inactive people	£105,000	7%
People & Skills	E34: Courses including basic, life & career skills	£22,500	2%
People & Skills	E35: Enrichment & volunteering activities	£22,500	2%
People & Skills	E36: Increase levels of digital inclusion, essential digital skills	£0	0%
People & Skills	E37: Tailored support for the employed to access courses	£0	0%
People & Skills	E38: Local areas to fund local skills needs	£0	0%
People & Skills	E39: Green skills courses	£0	0%
People & Skills	E40: Retraining support for those in high carbon sectors	£0	0%
People & Skills	E41: Funding to support local digital skills	£0	0%
People & Skills	Total for 'On-menu' Interventions	£150,000	10%
People & Skills	Insert Bespoke Intervention	£0	0%
People & Skills	Insert Bespoke Intervention	£0	0%
People & Skills	Insert Bespoke Intervention	£0	0%
People & Skills	Insert Bespoke Intervention	£0	0%
People & Skills	Insert Bespoke Intervention	£0	0%
People & Skills	P&S Bespoke Interventions Total	£0	0%
People & Skills	People & Skills Intervention Total	£150,000	10%
	Management Fee 4%	£59,980	4%
Allocation Totals		£1,439,544	100%

UKSPF Allocation Annual Expenditure				UKSPF Allocation Capital			
2022-23	2023-24	2024-25	Annual Expenditure Totals	Capital 22/23	Revenue 22/23	Capital 23/24	Revenue 23/24
£76,702	£51,404	£229,438	£357,544	£10,000	£66,702	£20,000	£31,404
			£0				
			£0				
			£0				
			£0				
		£320,000	£320,000				
			£0				
			£0				
			£0				
£73,000	£145,500	£146,000	£364,500	£50,000	£23,000	£100,000	£45,500
£25,000	£40,000	£40,000	£105,000		£25,000		£40,000

			£0				
			£0				
			£0				
			£0				
£174,702	£236,904	£735,438	£1,147,044	£60,000	£114,702	£120,000	£116,904
			£0				
			£0				
			£0				
			£0				
			£0				
£0	£0	£0	£0	£0	£0	£0	£0
£174,702	£236,904	£735,438	£1,147,044	£60,000	£114,702	£120,000	£116,904
			£0				
			£0				
			£0				
			£0				
			£0				
			£0				

			£0				
	£22,500	£30,000	£52,500				£22,500
			£0				
			£0				
			£0				
			£0				
			£0				
			£0				
			£0				
	£40,000	£50,000	£90,000				£40,000
			£0				
			£0				
£0	£62,500	£80,000	£142,500	£0	£0	£0	£62,500
			£0				
			£0				
			£0				
			£0				
			£0				
£0	£0	£0	£0	£0	£0	£0	£0
£0	£62,500	£80,000	£142,500	£0	£0	£0	£62,500

	£50,000	£55,000	£105,000				£50,000
		£22,500	£22,500				
		£22,500	£22,500				
			£0				
			£0				
			£0				
			£0				
			£0				
			£0				
£0	£50,000	£100,000	£150,000	£0	£0	£0	£50,000
			£0				
			£0				
			£0				
			£0				
			£0				
£0	£0	£0	£0	£0	£0	£0	£0
£0	£50,000	£100,000	£150,000	£0	£0	£0	£50,000
£7,279	£14,558	£38,143	£59,980		£7,279		£14,558
£181,981	£363,962	£953,581	£1,499,524	£60,000	£121,981	£120,000	£243,962

/Revenue Split (£)		
Capital 24/25	Revenue 24/25	Capital/Revenue Totals
£100,000	£129,438	£357,544
		£0
		£0
		£0
		£0
£160,000	£160,000	£320,000
		£0
		£0
		£0
£100,000	£46,000	£364,500
	£40,000	£105,000

		£0
		£0
		£0
		£0
£360,000	£375,438	£1,147,044
		£0
		£0
		£0
		£0
		£0
£0	£0	£0
£360,000	£375,438	£1,147,044
		£0
		£0
		£0
		£0
		£0

		£0
	£30,000	£52,500
		£0
		£0
		£0
		£0
		£0
		£0
		£0
	£50,000	£90,000
		£0
		£0
£0	£80,000	£142,500
		£0
		£0
		£0
		£0
		£0
£0	£0	£0
£0	£80,000	£142,500

	£55,000	£105,000
	£22,500	£22,500
	£22,500	£22,500
		£0
		£0
		£0
		£0
		£0
		£0
£0	£100,000	£150,000
		£0
		£0
		£0
		£0
		£0
£0	£0	£0
£0	£100,000	£150,000
	£38,143	£59,980
£360,000	£593,581	£1,499,524

Project Name	Solar for Business Pilot Project
Project Officer	James Lees, Climate Change Project Manager
Date	February 2024

1. Executive Summary

- 1.1. This paper provides the case for a pilot 'Solar for Business' scheme. This pilot would involve paying to install solar panels on the roofs of at least five businesses in the district, free of charge to the businesses. These businesses would be located in larger commercial premises, such as on industrial estates, so that solar arrays can be installed with a combined generating capacity of up to 750 kW.
- 1.2. Electricity is then generated from the panels and sold to the businesses at a rate lower than their current electricity tariff, generating revenue for the Council, reducing energy bills for the businesses and supplying renewable energy. These three benefits support the People First and Sustainability Council priorities.
- 1.3. The project would need an estimated capital investment of up to 563k to deliver installations on at least five commercial units. Estimated set ups costs are £50k.
- 1.4. An allocation from the UK Shared Prosperity Fund (UKSPF) of £95k would enable the project to be set up and partially cover the initial capital investment required which, if complemented by the remaining capital investment from the Council, would enable the upper range of capacity installed to be reached and generate greater revenue. Net initial costs are estimated at £518k with a £95k UKSPF allocation under the recommended approach.

2. How the scheme works

- 2.1. This project is based on the successful solar for business scheme delivered by West Suffolk District Council since 2016, installing solar panels on over 80 businesses, achieving carbon savings of 1670 t/CO₂e and generating 2.2 million kWh of renewable electricity in 2022¹.
- 2.2. The steps to deliver the project are:
 - 2.2.1. Identify suitable businesses – businesses need to be in buildings large enough for at least a 50 kW solar array to be installed and using enough electricity to meet the maximum generated. Actions would be undertaken to work with supportive landlords.
 - 2.2.2. Reach legal agreements – this involves engaging with the building landlord to agree a lease agreement for use of roof space for the solar panels and power purchase agreement with the business on the cost of use of the generated electricity.
 - 2.2.3. Confirm connections and building suitability – this involves engaging with the network operator, conducting a structural survey and managing planning requirements.
 - 2.2.4. Tender of installer – holding an open tender for installation across all sites to achieve installation costs sufficiently low to meet the financial case.

¹ <https://www.westsuffolk.gov.uk/environment/business-support/solar-for-business.cfm>

- 2.2.5. Installation and monitoring and maintenance – manage installation on sites, install metering and set up billing to provide revenue stream.

3. Financial information

- 3.1. The financial case is based on three scenarios for possible capital investment – a low performing scenario, a mid-range scenario and a high performing scenario.
- 3.2. The headline figures are set out in table 1. The upper scenario closely matches the approach and assumptions from West Suffolk Council. This scenario involves higher capital investment (54% more than the mid scenario) but also greater revenue (144% higher), a payback period of seven years and IRR of 14.88%. Two more conservative scenarios have been considered. The low performing scenario includes the lowest capital investment but also the lowest return leading to a 13-year payback period and Internal Rate of Return (IRR) of 5.49%. Under a mid-scenario £35k more investment is required but with greater revenue leading to a 10-year payback and IRR of 9.21%.
- 3.3. The inclusion of an allocation of the UKSPF to deliver the scheme in 2024 improves the IRR and shortens the payback period. In the current assessment, it is assumed £95,000 is allocated to the scheme, covering set up costs and some of the capital investment required. Without the allocation, payback periods range from 8 to 17 years and IRR from 2.57% to 12.38%.
- 3.4. The cost of capital borrowing has also been included at 9%. As set out in table 1, Incorporating this cost leads to an average annual surplus of £45k under the high scenario, which follows the recommended route of aiming for larger buildings, and a surplus of £9.5k in the mid-scenario while leading to a small shortfall under the low scenario of £633. This supports the case for aiming for larger buildings.

Table 1: headline figures

	Low	Mid	High - recommended
Net initial costs required (including UKSPF allocation)	£277,625	£312,875	£518,725
- Capital (part funded by UKSPF)	£325,000	£358,750	£562,500
- Revenue (fully funded from UKSPF)	£47,625	£49,125	£51,285
UKSPF allocation	-£95,000	-£95,000	-£95,000
Net revenue (20 years)	-£487,064.13	-£751,224.62	-£1,839,765.76
Surplus (20 years)	-£209,439.13	-£438,349.62	-£1,321,040.76
Average net revenue per annum	-£24,353.21	-£37,561.23	-£91,988.29
IRR	5.49%	9.21%	14.88%
Payback (Years)	13	10	7
Capital not funded by UKSPF	£277,625	£312,875	£518,785
Cost of capital at 9%	£24,986	£28,159	£46,691
Average annual surplus after cost of capital	£633	-£9,402	-£45,298

- 3.5. The key variables in the scenarios are the installation costs of solar panels and size of array installed. The low scenario uses official statistics for the average cost of installation per kW for solar panels on smaller arrays. The high scenario uses much lower installation costs based on West Suffolk Council's recent tenders for installation. The average sized installation in the West Suffolk scheme is 150 kW and this is the

recommended size for the pilot. Under the low and mid scenario much smaller installations of average 50 and 70 kW in size are assumed. Larger installations lend closely to lower installation costs per kW due to fixed costs such as scaffolding being similar.

- 3.6. Initial costs are set out in table 2. Beyond the capital investment for installation, the biggest contributor is legal costs where it is assumed all legal support is provided externally. The £15k for development and approvals includes a structural survey, engagement with the network operator with possible connection costs, and planning support if needed. The administration set up currently covers possible additional external requirements.
- 3.7. Staff resource requirements include project management, business engagement, estates for initial negotiations on lease terms, procurement and administration to deliver the scheme. It is currently anticipated that there is sufficient internal capacity to deliver these requirements.
- 3.8. Annual running costs include a rough estimate of insurance costs as well as some staff costs for administration of billing. In West Suffolk, servicing is done ad-hoc after an initial two-year contract but this approach may need to be reviewed depending on insurance requirements and / or the lease agreement.

Table 2: Initial costs

	Low	Mid	High
Capital investment for installations	£325,000.00	£358,750.00	£562,500.00
Publicity event	£500.00	£500.00	£500.00
Administration set up	£3,000.00	£4,500.00	£6,660.00
Legal agreements for five installations	£29,125.00	£29,125.00	£29,125.00
Development/approvals/permits for five installations	£15,000.00	£15,000.00	£15,000.00
UKSPF allocation	-£95,000.00	-£95,000.00	-£95,000.00
Net initial costs	£277,625.00	£312,875.00	£518,725.00

4. Expected benefits

- 4.1. Launching a solar for business scheme for SMEs in North Herts would benefit businesses through reducing their energy bills, provide long-term revenue generation to the council and reduce greenhouse gas emissions through generation of renewable energy. Table 4 highlights the benefits of the scheme.

Table 4: Benefits

Revenue	Low	Mid	High
Annual revenue from sale of electricity to businesses (year 1)	-£22,592.08	-£31,171.48	-£66,796.03
Annual revenue from sale of excess electricity to grid (year 2)	£ -	-£1,504.06	-£8,057.48
Energy costs saved for all businesses			
Annual energy costs saved (year 1)	-£18,073.66	-£24,937.19	-£53,436.83
Energy costs saved (over 20 years)	£473,482.98	£653,289.35	£1,399,905.75
Emissions saved (tonnes CO2e)			
Annual CO2 emissions saved (year 1)	31.19	43.03	92.21
CO2 emissions saved (over 20 years)	623.77	860.64	1844.23

5. Risks

5.1. The following priority risks and mitigating actions have been identified:

- 5.1.1. Legal agreements delay scheme. Protracted negotiations could delay scheme delivery. This could be managed through initial negotiations completed by non-legal teams so that the broad terms are agreed ahead of formal legal negotiations.
- 5.1.2. Limited internal capacity and skills to deliver scheme. The cost of external legal support has been included in the financial case. Allocation of capital and sufficient capacity is needed to mitigate the broader risk.
- 5.1.3. Poorly managed installations / unable to get sufficiently low installation costs. The procurement process could manage the first risk, particularly applying a similar weighting to West Suffolk's 50% for quality and 50% for price. Early engagement with installers would also identify whether the targeted installation cost is realistic.
- 5.1.4. Long-term contract and risk of change. Change of building ownership or new business tenants could affect the scheme. The break clauses included in the two agreements mitigate these risks.

THE DISTRICT WIDE ~~COMMUNITY FACILITIES~~ CAPITAL & REVENUE GRANTS PANEL

MEMBERSHIP

1. The Panel shall comprise ten Members.
2. The Panel ~~shall~~ aims to be politically balanced.
3. Two members will be drawn from each of the five areas.
4. The quorum shall be ~~three~~ five.
5. Appointments will be made by the Council at its Annual Meeting or at other times, under delegated responsibility, by the Democratic Services Manager in consultation with Group Leaders.
6. The Panel will appoint its own Chairman.

TERMS OF REFERENCE

1. To comment on and act as an advisory Panel to the Executive Member for Community Engagement & Partnerships (or relevant Executive Member for that service area), in approving capital or revenue grants in consultation with the Service Director Legal and Community ~~on capital and revenue made under the Community Facilities Capital Grant Funding Schemes and district wide community revenue grants~~ (from internal Council or external funding sources).
2. ~~To comment on and act as an advisory Panel to the Executive Member for Community Engagement & Partnerships (or relevant Executive Member for that service area), in approving grants in consultation with the Service Director Legal and Community made under the NHDC/ Health Protection Board Funding Protocol.~~

ADMINISTRATION

1. Meetings will be called as necessary by the Policy & Community ~~Engagement~~ Manager.
2. Administrative support will be provided by the Community Partnership's ies ~~Engagement~~ Team Leader.

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CABINET 19 March 2024
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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.

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.

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 the following key matters where there has been substantive change since the report in January 2024.

8. RELEVANT CONSIDERATIONS

Town Centre Strategies

- 8.1. The inception of the council's review of town centres and retail strategy was reported to Cabinet in January 2024. During January and February, a survey by telephone to land and mobile phones, targeting residents in North Hertfordshire and surrounding postcodes was completed. 1,001 respondents gave their likes and dislikes on the district's town centres and provided information on their shopping and leisure visits. Questions covered shopping habits, such as shopping destinations (including on-line), for their clothes and food shopping, parking, and linked visits.
- 8.2. A separate survey questionnaire has also been prepared targeting specific stakeholders including Business Improvement District (BID) managers, landowners, property management agencies, local charities, colleges, societies and trusts. Views will be canvassed on the health of the main centres, both pre and post Covid, the strengths and weaknesses of the towns and any suggested improvements. The survey will run from 26 February to 11 March 2024.
- 8.3. The council and its consultants will review the responses from this survey, along with the responses to the telephone survey. The findings of these surveys will be shared at a stakeholder / member event expected to be held in June 2024 and will become a component of the evidence base to inform the preparation of the town centre strategies for Baldock, Hitchin, Letchworth and Royston. A further update to Cabinet will be provided following the stakeholder event.

Biodiversity Net Gain

- 8.4. Biodiversity Net Gain (BNG) requires developers to provide at least 110% of the biodiversity value found on the site prior to their development. It can be delivered either fully or in part through on-site habitat, off-site habitat, or as a last resort, the purchase of statutory biodiversity credits.
- 8.5. BNG became mandatory for Major Developments on 12th February 2024 and applies to relevant applications submitted on or after this date. It will become mandatory for Minor Development from 2 April 2024 and is expected to extend to Nationally Significant Infrastructure Projects, from November 2025.
- 8.6. Under the statutory framework for BNG, every grant of planning permission is deemed to have been granted subject to the condition that the biodiversity gain objective is met ("the biodiversity gain condition"). The biodiversity gain condition is a pre-commencement condition: once planning permission has been granted, a Biodiversity Gain Plan must be submitted and approved by the local planning authority (LPA) before commencement of the development.

- 8.7. LPAs will have to triage BNG applications and ensure a statutory metric is submitted, a biodiversity gain plan is received and check proportionate habitat management and monitoring information is provided for significant on-site gains. The Council's new senior ecologist, Liz Anderson, is now in post and will be overseeing our approach to BNG.
- 8.8. Government has issued, and subsequently updated, [Planning Practice Guidance on BNG](#). This, together with statutory instruments and a series of templates including a biodiversity gain plan template and a habitat management and monitoring plan template, can be used by local authorities, developers and landowners/mangers to support the process of securing BNG through development.
- 8.9. Alongside BNG, the Council is subject to a wider Biodiversity Duty that is placed on all local authorities by the Environment Act. This includes additional considerations, such as whether the Council wishes to take on BNG management responsibilities or make its own land holdings available for BNG improvements.

Proposed Expansion of Luton Airport

- 8.10. As previously reported 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 scale of the proposed passenger numbers). The Examination process opened on 10 August 2023 and has been running over the last 6 months.
- 8.11. The Examination process closed on 10th February, following which the Examining Authority (ExA) must produce its report making recommendations to the Secretaries of State within 3 months. Within 3 months of receipt of the report the Secretaries of State should issue a decision (though this timeframe can be extended). Procedure could therefore generate a decision by mid-August.
- 8.12. The three Hertfordshire Hosts Authorities, i.e. North Herts Council (NHC), Hertfordshire County Council (HCC) and Dacorum Borough Council (DBC) have been fully engaged with the process and the applicant. The three Hertfordshire hosts have had specialist technical teams and lawyers engaging in the Examination on their behalf. This has involved responding to additional submissions made by the applicant, responding to requests and written questions from the Examining Authority, appearing at Issue Specific Hearings, making formal submissions at the various submission 'Deadlines' (of which there were 11) set by the Examining Authority, negotiating over the terms of the draft Development Consent Order (i.e. the planning permission, were it to be forthcoming), and negotiating the terms of a s106 legal agreement, supporting the planning permission, were to be forthcoming.
- 8.13. North Herts Council together with HCC and DBC have committed substantial resources to engage with the process and ensuring that our communities and environment get the best possible protection and associated funding on various mitigation matters around noise, surface access, air quality and climate change should the expansion be permitted. For example: the officers together with their legal advisors have managed to negotiate:

- that the Sustainable Travel Fund (STF) should exist in perpetuity and not be capped at the point the airport reaches its peak capacity as previously suggested by the Applicant
 - a definite commitment to fund expansion in bus and coach services up front and to then be endured through the STF;
 - the continuation of the Community First Fund, or similar and its associated benefits to those local communities most likely to be impacted as the airport expands.
- 8.14. The Council has met all 11 deadlines. The last 3 deadlines included:
- Submitting a separate Statement of Common Ground (SoCG) between North Herts and the applicant and a collective Principal Areas of Disagreement Summary Statement (PADSS). These are technical documents which essentially set out progress made between the authorities and the applicant on technical matters.
 - Submitting comments on the draft DCO, and
 - Agreeing to sign a S106 *legal agreement*. As per the supplementary report to Cabinet on 16 January, our legal advisors were involved in negotiating a s106 agreement with the applicant on behalf of all the authorities. This isn't a substantive agreement from a Hertfordshire/ North Hertfordshire perspective as it seeks to reimburse the council for officer time spent in engaging in the future Green Control Growth (GCG) mechanism – a process designed to ensure that any expansion scheme keeps within certain thresholds/limits to be set out within the consent in relation to noise, surface access, air quality and greenhouse gases.
- 8.15. The Hertfordshire host authorities also took the opportunity to submit to the ExA a Closing Position Statement, setting out:
- The position of the authorities at the outset of the Examination.
 - A summary of the issues identified by our technical and legal advisers that they feel are key to decision-making on the proposal as identified in the PADSS, and present their expert views.
 - The final position of the authorities at the close of the Examination, in light of the findings and conclusions of our technical and legal advisers.
- 8.16. The Exec Member and Deputy were briefed on the SoGC, the PADSS, the S106 agreement and on the Closing Position Statement prior to their submission.
- 8.17. Full submission of all documents can be seen on the PINS website at: [London Luton Airport Expansion | National Infrastructure Planning \(planninginspectorate.gov.uk\)](https://www.planninginspectorate.gov.uk/london-luton-airport-expansion/)

Supplementary Planning Documents

Draft Sustainability Supplementary Planning Document (SPD) Consultation

- 8.18. The draft Sustainability SPD was approved for public consultation by Cabinet in December 2023. Consultation was held for six weeks from the 4 January to 16 February 2024. The consultation was carried out in accordance with the Council's Community Consultation Strategy and the Statement of Community Involvement. Statutory consultees, developers and agents active in North Herts were also contacted and a social media campaign inviting members of the public to participate in the consultation was conducted.

- 8.19. The majority of the representations (89 in total, from 17 individuals and organisations) were received on the last days of the consultation period. This included several detailed representations from, or on behalf of, major developers with significant land interests in the District.
- 8.20. The representations are generally supportive of the SPD, its objectives and aspirations. However, some have noted that some of the standards would be difficult and/or costly to achieve and that an SPD may not be the most appropriate vehicle for introducing these.
- 8.21. Some representations called for greater clarity in terms of what the different benchmarks represent and how the SPD is to be applied in practice to different types and scales of development.
- 8.22. Following approval of the draft SPD by Cabinet, the Government has additionally launched [consultation on the next iteration of its Future Homes standard](#). This, among other matters, will set requirements to further improve energy efficiency and reduce the carbon emissions of new homes and non-domestic buildings through the Building Regulations system. Further details are below. Government has repeatedly indicated its preference that standards on these matters should be established through Building Regulations. Although powers remain to set standards through the planning system, these should seek to avoid duplication, overlap and / or conflict between the two.
- 8.23. Given the issues raised through the consultation, and the need to ensure (broad) compatibility with a potential further change to Building Regulations in the near future, the Sustainability SPD will now be brought back to Cabinet later in the year, and not to this meeting as originally planned. This will ensure appropriate time to consider these matters holistically and ensure the Sustainability SPD is appropriately framed.

Biodiversity SPD

- 8.24. In previous decisions and reports, Cabinet supported the principle of developing a Biodiversity SPD. As set out above, a large quantity of standardised, national-level guidance and regulations have now been released to support the statutory implementation of Biodiversity Net Gain.
- 8.25. Given the release of this industry guidance alongside Natural England blogs on BNG that are available, it is not presently felt that there is a need for a North Herts-specific SPD on BNG. It would presently have limited value to add and / or could be superceded by any subsequent guidance or emerging work on, for example, the Hertfordshire Local Nature Recovery Strategy (LNRS). The County Council will produce the LNRS with work beginning this year. Once complete it will become a statutory consideration.
- 8.26. The Council website will be updated to ensure information on the delivery of BNG through development is clearly signposted. Any guidance will be produced and updated informally so this can be amended as necessary in light of changing requirements. The Sustainability SPD (see above) will be amended to require applicants to have regard to any such information. We will continue to monitor the reception of BNG and if necessary can review our position in the future.

Design SPD

- 8.27. The Levelling Up & Regeneration Act (November 2023) will make it a mandatory requirement for Councils to prepare an authority-wide Design Code for their area and include it as part of their Local Plan.
- 8.28. The Design Code SPD will now be prepared with this requirement in mind. It will still be developed as an SPD in support of relevant policies in the adopted Local Plan. But now with the additional aim of incorporating any work into the approved review of the Local Plan.
- 8.29. Some preparatory work has been undertaken. This includes considering approaches to characterising different parts of the District and using a site-specific Design Code for the Highover Farm site in Hitchin as a pilot project which will inform the approaches to be taken to the North Herts-wide code.
- 8.30. Following successful recruitment to a vacant post (see s.15 below) work on the authority-wide Design Code SPD will be progressed further in 2024/5 including Member and public engagement.
- 8.31. Officers continue to keep historic, adopted supplementary guidance under review and withdraw this from use as relevant replacement documents are brought forward, in line with previous Cabinet resolutions.

Neighbourhood Plans

- 8.32. The referenda for the Ickleford and Wallington Neighbourhood Plans will take place on Thursday 14th March 2024. A verbal update will be provided to Cabinet on the outcome. If there is a majority in support of making the neighbourhood plans, delegated decisions will be made to “make” the neighbourhood plans and reported through the MIS.
- 8.33. Codicote Parish Council have [published a draft neighbourhood plan for public consultation](#). The consultation period runs until 27th March 2024. Officers will prepare a response to the consultation document which will be sent to the Parish Council.

Strategic Sites

- 8.34. 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 . Public consultation carried out on the proposed draft masterplan in November / December 2023. Work is ongoing to finalise the masterplan for presentation later in the year.
SP15: North of Letchworth	Pre-application masterplan being prepared under PPA. Public consultation on emerging proposals held

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.

	November / December 2023 with further public consultation on the draft masterplan taking place in March 2024.
SP16: North of Stevenage	An outline planning application was submitted in December 2023. Work to finalise the masterplan, which will be considered separately to the application, is ongoing.
SP17: Highover Farm, Hitchin	Work is ongoing on the s106 legal agreement following a resolution to grant permission by the Planning Committee in October 2023.
SP18: North-east of Great Ashby	Pre-application masterplan being prepared under PPA. Public consultation on a draft is anticipated in March 2024 prior to the pre-election period. A verbal update will be provided at the meeting if necessary.
SP19: East of Luton	Allocation-wide masterplan being prepared under PPA. Public consultation took place in January and February 2024.

- 8.35. 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 \(north-herts.gov.uk\)](https://www.north-herts.gov.uk/masterplans)).

Government Announcements

Permitted Development Rights Consultation

- 8.36. The [Government is currently consulting](https://www.gov.uk/government/consultations/permitted-development-rights) on changing various permitted development (PD) rights. Permitted Development is development that is allowed to take place without requiring planning permission. Key proposals or questions include:
- Whether to increase the overall size limits on home extensions to more than 50% of their existing curtilage;
 - Allowing larger rear home extensions, increasing the maximum depth by 1 metre on all homes and for single and two-storey extensions (currently 4m for detached homes and 3m for all other houses for single-storey extensions and 3m for two-storey extensions).
 - Volume limits on home roof extensions would be removed to allow extension to be built up to the eaves and increase ridge heights by 30cm.
 - An age restriction on the homes to which a series of upward extension PD rights would apply would be relaxed or even scrapped – this applies currently to homes predating 1 July 1948.
 - Seeking feedback on the “effectiveness” of the PD right that allows blocks of flats to extend upwards

- An age restriction on the PD right allowing certain commercial and residential buildings to be demolished and rebuilt as homes would be relaxed or even scrapped – this applies to buildings post 31 December 1989, but the proposals suggest a new limitation to protect buildings built before 1930.
 - The size limit for extensions to commercial buildings would be doubled from 50% or 100sqm to 100% or 200sqm (whichever is lesser).
 - Relaxing restrictions on the siting of electric vehicle (EV) charging points allowing for wall-mounted charging points and electrical upstands to be installed anywhere with an area lawfully used for off-street parking.
 - Allowing larger EV charging point equipment to be installed without needing a planning application in non-domestic, off-street ground level car parks, and no more than one unit per car park.
 - Relaxing limits on location and size of air source heat pumps, allowing for them to be installed nearer the property and allow for up to two units.
- 8.37. The consultation runs until 9 April 2024. Officers will consider a response in consultation with the Executive Member and Deputy.

Future Homes standard

- 8.38. The Government published its [consultation on the Future Homes standard](#) on 13 December 2023. It runs until 6 March 2024.
- 8.39. Future Homes is the description used by the Government to cover improvements to energy efficiency and reductions in carbon emissions of new homes and non-domestic buildings required through Building Regulations. Minimum requirements came into effect under the first Future Homes standard in 2022.
- 8.40. The consultation is upon a proposed further uplift in standards to have effect from 2025. The Government state that the proposed standards will be in line with meeting the national 2050 net zero target and will mean no further work will be needed for new buildings to produce zero carbon emissions as the electricity grid decarbonises.
- 8.41. The standards relate to the operational emissions from new buildings and focus on the use of high fabric standards and the use of low-carbon heating to ensure new homes are zero-carbon ready. They focus on 'regulated energy use' that fall within the oversight of Building Regulations such as space heating, cooling, hot water provision, and lighting.
- 8.42. Building regulations do not cover unregulated use, which might be thought of as how many times an individual may choose to use fixtures such as their washing machine or dishwasher, or the temperature at which they choose to set the thermostat.
- 8.43. The standards do *not* relate to embodied carbon – that is the carbon emissions generated from the production and transportation of building materials, construction and maintenance. However, the consultation states that the government intends to consult on our approach to measuring and reducing embodied carbon in new buildings “in due course”.
- 8.44. The consultation focuses on proposed detailed technical standards. But it also includes questions on matters such as balancing carbon savings against capital and householder costs and the amount of solar photo-voltaic (electricity) panel coverage to be provided on new, non-domestic buildings.

8.45. Any response to the consultation will be reported to a future meeting.

Solar Farms

8.46. The following is a list of current and recently considered applications for solar farms.

- **Application reference 21/03380/FP - Land to East of Great Wymondley.**

This application was reported to the meeting of the Planning Control Committee on 17 November 2022 when it was resolved to grant planning permission subject to conditions and referral to the Secretary of State due to the size of the proposal and its location within the Green Belt. The application was called-in for determination by the Secretary of State and a Public Inquiry was held in September 2023. The Inspector has reported to the Secretary of State who has indicated that a decision will be made by 11 March 2024

- **Application reference 22/00709/FP – land to the south of Wymondley Substation and Sperberry Hill, St Ippolyts.**

This application was reported to Planning Control Committee on 16 November 2023 when it was resolved to refuse planning permission, relating to harm to the Green Belt and Landscape Character and Appearance. The decision notice refusing planning permission was issued on 22 November 2023.

- **Application reference 22/00741/FP - land west of Ashwell Road, Bygrave.**

This application was reported to Planning Control Committee on 14 September 2023 when it was resolved to defer making a decision for (a) officers to advise upon and Members to consider late submissions relating to biodiversity, (b) for officers to advise upon and Members to consider late submissions relating to the effect of the proposal upon traffic and access, (c) Members would like to visit a comparable and operating solar farm and understand likely impacts arising from the proposal, (d) for officers to advise upon and for Members to consider proposed conditions by Bygrave Parish Council, and (e) Members are minded to await the decision of the Secretary of State for Levelling Up, Housing and Communities as to whether or not they will be calling-in the application for his determination before making a decision on the application.

The applicant has provided additional information relating to items (a), and (b). Regarding (c) Members have visited a solar farm at Shingay-cum-Wendy in Cambridgeshire, (d) officers have considered the proposed conditions by Bygrave Parish Council and (e) the Secretary of State has confirmed that he will not be calling-in the application for his determination. It is intended to report back to Planning Control Committee on 21 March 2024.

- **Application reference 22/03231/FP - Land North East of Wandon End.**

This is a cross boundary application, and a duplicate application is being considered by Luton Borough Council. All the solar arrays would be in North Herts and the substation and underground cabling link to it is within Luton Borough. This application is currently under consideration and will be reported to Planning Control Committee in due course.

- 8.47. The Strategic Planning team has been researching recent examples of Solar Farm policies, guidance and appeal cases to help identify best practice to inform future policy in the Local Plan review. This would need to be carried out in line with updated Corporate Policy as to the approach the Council want to take relating to Solar Farms. The Corporate Policy Team are undertaking this piece of work concurrently with the Planning review of Solar Farms.
- 8.48. Generally, other Local Authorities appear to identify potential suitable areas for solar developments in Local Plans and Neighbourhood Plans alongside an assessment (type, size, capacity) for renewable energy opportunities. Local Authorities can set out strategic policies that guide such developments at Neighbourhood Plan level (e.g. through Neighbourhood Development Orders/ Community Right to Build). As part of a Neighbourhood Plan, communities can also look at developing a community energy plan to underpin the Neighbourhood Plan
- 8.49. Policies set a range of criteria that need to be addressed in applications, including:
- Potential impacts (and mitigation measures) on landscape (particularly sensitive landscape and Areas of Outstanding Natural Beauty)
 - Assessing agricultural land (Best and Most Versatile)
 - Heritage
 - Green Belt
 - Biodiversity
 - Impacts of glint and glare (on neighbouring uses and aircraft safety)

Where residual negative impacts remain, these must be weighed against potential benefits from the development.

- 8.50. Policies often require biodiversity enhancement (Biodiversity Net Gain) and provision for continued use of surrounding area for animal grazing (where applicable). When considering the impacts of the development it is also important to consider the impacts associated with ancillary works such as access, security fencing and lighting. Schemes located in areas where they can directly supply nearby settlements are generally promoted. Increasingly, policies support the provision of energy storage and balancing technology alongside renewable energy development to help balance supply and demand.
- 8.51. Solar farms are considered inappropriate development in the Green Belt, however, there have been several cases where inspectors have allowed them in Green Belt locations where the benefits were judged to outweigh potential harm.
- 8.52. Solar Farm developments have a limited lifespan and policies must include a provision for decommissioning and restoring the site at the end of the project's useful life. Schemes may require an Environmental Impact Assessment. Community buy-in is generally sought (and consultation is required). Neighbourhood Development Orders and Community Right to Build Orders can be used to grant planning permission for renewable energy development.

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.
- 9.4. The preparation and adoption of the Supplementary Planning Document (SPD) is governed primarily by the Planning and Compulsory Purchase Act 2004 and the Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended) ("the 2012 Regulations"). They require that the SPD be in conformity with the National Planning Policies Framework and not conflict with the adopted development plan. The 2012 Regulations state at regulation 12 that a local planning authority must undertake a process of public participation before it can adopt a SPD. Part of that process involves consulting with relevant persons, setting out the main issues raised by those persons and then explaining how those issues have been addressed in the SPD.
- 9.5. SPDs are not subject to independent examination in the same way that other planning documents are, however, there is still a process of consultation that must be undertaken in respect of such documents. Section 19(3) of the Planning and Compulsory Purchase Act 2004 specifically requires local planning authorities to comply with their adopted Statement of Community Involvement ("SCI").
- 9.6. Regulation 14 of the 2012 Regulations provides that the SPD can be adopted by resolution of the Council as a local development document. There is a requirement to publish the SPD and the adoption statement, soon after the resolution is passed, for a period of 3 months. The SPD can be judicially reviewed within a period of 3 months from when it is adopted. Once adopted, the SPD will supplement other planning documents.
- 9.7. The Localism Act (2011) and The Neighbourhood Planning (General) Regulations (2012) give power to Local Planning Authorities to approve a neighbourhood plan to proceed to referendum. Under the Neighbourhood Planning Act 2017 if the referendum results in a simple majority 'Yes' vote the Neighbourhood Plan will immediately form part of the Development Plan. Following this, the Council should 'have regard to a post-examination neighbourhood development plan when dealing with an application for planning permission, so far as that plan is material to the planning application'.

10. FINANCIAL IMPLICATIONS

- 10.1. The general costs of activities identified in this report are met through existing revenue budgets or benefit from external funding or other arrangements to recover costs.

- 10.2. Cabinet previously agreed on 27 June 2023 the use of £85k of reserve funding to respond to the London Luton Airport planning application being considered by the Planning Inspectorate. Previous work on the application has been funded from existing reserves. NHC has continued to work together with the other Hertfordshire Host Authorities through the process, where HCC and Dacorum BC are each contributing a greater amount.
- 10.3. At Cabinet on 06 February 2024, the Executive Member for Finance outlined the additional costs over and above the £85k that the Council was incurring in responding the examination process for Luton Airport. These additional costs, anticipated at being £50k, would be met from the Transport Forum budget that was no longer needed and also from salary underspends.
- 10.4. Where possible funding has also been provided by Luton Rising (LR) through a Planning Performance Agreement (PPA) where North Herts along with the other host authorities (Herts County Council, Luton, and Central Beds) signed a PPA at the start of the process. The PPA has provided funding for the host authorities to engage consultants and legal expertise to review documents and submit comments on their behalf since the pre-consultation stage up to and through the Examination process. The host authorities have written to LR requesting additional funding through the PPA to cover ongoing legal costs associated with the DCO application and negotiating S106 agreement which are all requirements requested by the Examining Authority as part of the process. LR have made it clear that no additional funding will be provided.

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.

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. Several posts have recently been successfully advertised and filled across the planning service. However, some of these were vacant for some time before being (re-)occupied which has resulted in certain workstreams being delayed. Additional capacity is currently provided by agency staff and consultants. Some of these costs are recovered through agreements associated with individual projects. The budget for 2024/5 includes further investment bids to ensure sufficient capacity across the planning service.

16. APPENDICES

None

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18. BACKGROUND PAPERS

- 18.1 [Strategic Planning Matters, report to Cabinet 14 November 2023](#)
- 18.2 [Local Plan Implementation, report to Cabinet 16 March 2021](#)
- 18.3 [Review of Existing North Hertfordshire Planning Guidance, report to Cabinet 25 July 2017](#)

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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](https://www.planninginspectorate.gov.uk/tr020001-001276-LUTN-Rule-8-and-hearings-notification-letter.pdf)
([planninginspectorate.gov.uk](https://www.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](https://www.planninginspectorate.gov.uk/tr020001-001835-LUTN-R17-3-October-2023.pdf) ([planninginspectorate.gov.uk](https://www.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/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

PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: LOCAL PLAN IMPLEMENTATION

REPORT OF: SERVICE DIRECTOR - REGULATORY

EXECUTIVE MEMBER: EXECUTIVE MEMBER FOR PLANNING & TRANSPORT

COUNCIL PRIORITY: RESPOND TO CHALLENGES TO THE ENVIRONMENT / ENABLE AN ENTERPRISING AND CO-OPERATIVE ECONOMY / SUPPORT THE DELIVERY OF GOOD QUALITY AND AFFORDABLE HOMES

1. EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to review previous resolutions and to recommend a revised programme of work to support the implementation of the new Local Plan.

2. RECOMMENDATIONS

- 2.1. That the North Hertfordshire Masterplanning Guidance, attached as Appendix A, is approved and recognised as a material consideration in the determination of relevant planning applications
- 2.2. That officers are authorised to commence work on a revised and updated programme of Supplementary Planning Documents and supporting evidence as set out in this report to support the Council's corporate priorities.
- 2.3. That to support recommendation 2.2, Cabinet:
- a. Resolve not to pursue the preparation of a Community Infrastructure Levy for the District at this time; and
 - b. Approve the reallocation of the existing approved revenue budgets for Community Infrastructure Levy (£87,000) and the potential Single Issue Review of the Local Plan (£80,000) to create a budget for the delivery of the work on a revised and updated programme of Supplementary Planning Documents.

3. REASONS FOR RECOMMENDATIONS

- 3.1. To ensure that resources are used most effectively to support the implementation of the new Local Plan for North Hertfordshire and to improve delivery upon corporate priorities relating to place leadership and the declared climate change emergency.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. Officers are of the view that the approach set out in this report is the most reasonable alternative. The progress of the Local Plan is subject to a separate report to this meeting. This sets out that the Examination is now at an advanced stage. Without prejudice to any forthcoming consultation or the Inspector's final report, the Council now needs to take tangible steps to ensure that the Plan, as presently proposed to be modified, can be successfully implemented.
- 4.2. It is important that the issues set out in this and other relevant reports to this cabinet meeting are viewed holistically. However, Members could determine to (individually or in combination):
- Continue to proceed with the currently approved suite of Supplementary Planning Documents (SPDs);
 - Request the production of further SPDs on particular issues they identify;
 - Resolve that a Community Infrastructure Levy is developed and implemented for the District at this time;
 - Continue to contemplate a focussed review of the Local Plan post-adoption to reflect emerging or adopted actions or priorities relating to climate change;
 - Retain the currently identified budgets for either or both of the above;
 - Identify and support the provision of additional resources to pursue (any combination of) pre-existing commitments and the recommendations in this report; and / or
 - Defer decisions on any or all of these matters until such time as:
 - i. the Examination of the Local Plan concludes;
 - ii. Full Council has resolved whether to adopt the new Local Plan; and / or
 - iii. There is greater clarity over the Government's intentions on matters including (but not necessarily limited to) design, building regulations and / or planning reform.
- 4.3. These options have been considered as part of a comprehensive review of resources, priorities and next steps. Further information relating to these matters are set out in this report.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1. The Executive Member and Deputy are regularly kept up to date on strategic planning matters at fortnightly briefings.
- 5.2. A Local Plan Project Board was set up in February 2016 to provide the necessary strategic guidance and direction for the production and implementation of the Local Plan within the Council. Project Board, along with the joint chairs of the Council's Cabinet Panel on the Environment, were consulted prior to the publication of the recommendations in this report.

6. FORWARD PLAN

- 6.1 This report contains a recommendation on a key Executive decision that was first notified to the public on 5 February 2021.

7. BACKGROUND

The Local Plan

- 7.1. Members will be aware of, and familiar with, many of the issues surrounding the Local Plan from the regular Strategic Planning Matters reports and the reports to the Cabinet and Full Council meetings of 17 April 2017, 10 December 2018 and 08 October 2020 as well as the earlier report to this meeting.
- 7.2. As well as progressing the new Local Plan to the conclusion of its examination and a decision upon its adoption, it is essential for the Council to consider how it will subsequently ensure successful implementation of the Plan's strategy. It is also of critical importance to consider how implementation of the Plan can support and deliver upon other key Council priorities.
- 7.3. The proposed Further Main Modifications are subject to a separate report to this meeting. However, for the purposes of this report, Members are reminded that the proposed Further Main Modifications will not propose substantive alterations to the housing development strategy contained in the Plan submitted for examination in June 2017, beyond changes to the anticipated timing and phasing of new development reflecting the passing of time. Should the Plan as currently anticipated to be modified proceed to adoption it will require a significant uplift in housing delivery over the coming decade and beyond. It will also require successful and simultaneous delivery of numerous significant and strategic developments around the District's main towns and villages.
- 7.4. Delivery of such growth in a sustainable, well planned and designed way that delivers the Council's local plan policies, corporate priorities and existing and emerging statutory obligations will require new ways of working. This will need to be pro-active and place and masterplan led and supported by a collaborative, co-ordinated, and corporate approach across the Council as well as working closely with Hertfordshire County Council and other key service providers. This reflects the key recommendations of the 2020 Peer Challenge exercise (also subject to a separate report). Many other local authorities, including the District's immediate neighbours, are adopting masterplan-led approaches to support sustainable communities where there is significant housing growth to deliver. This allows councils with their communities to meaningfully shape proposals.
- 7.5. Current practices in North Hertfordshire are built around the Development Management approach. This reflects the absence of strategic growth proposals within the District over a number of years with Great Ashby being the last example of development at scale in North Hertfordshire. However, this approach is often a reactive process as issues are identified and discussed on a case-by-case basis in response to the submission of individual (pre-)applications. Taking an active, placemaking lead prioritises the collaborative identification of key issues to be resolved and masterplanned in advance of or in parallel with the formal planning process.

Existing resolutions and commitments relating to implementation of the Local Plan

- 7.6. In July 2017, Cabinet considered a report outlining a recommended approach to the production of supplementary guidance to support the new Local Plan. Supplementary Planning Documents (SPDs) can set out additional detail on policies in the Plan but cannot themselves set new policy. An adopted SPD must relate to an adopted Plan policy. Within a wide-ranging report, Cabinet resolved that the new Local Plan should be supported by suite of three SPDs on:
- Developer Contributions
 - Design; and
 - Parking and Transport
- 7.7. A draft Developer Contributions SPD was presented to Cabinet in January 2020 and published for public consultation. In July 2020 a proposed final version of the SPD was considered taking into account the consultation responses. Cabinet resolved that this version of the SPD was adopted subject to the adoption of the new Local Plan within twelve months of the decision (i.e. by July 2021).
- 7.8. At the time the draft Developer Contributions SPD was presented, Cabinet additionally requested that officers reconsider the case for introducing a Community Infrastructure Levy (CIL) for new development in the District.
- 7.9. CIL effectively operates as a flat-rate 'tax' levied upon qualifying development based on the amount of floorspace being provided. It is collected on an authority-wide basis. However, unlike site-specific legal agreements, there is no guarantee at the point of the planning decision that monies will be spent on any particular matter or project relating to that planning application.
- 7.10. Cabinet requested that the CIL review be reported back to Cabinet before the end of the 2020 calendar year. Due to the delays in the Local Plan examination it was not possible to meet this timescale but the review is now presented as part of this report.
- 7.11. A draft of the Design SPD was considered by Overview and Scrutiny committee in September 2020. O&S requested additional time to consider the SPD and that further information be provided in the SPD prior to public consultation. This version of the SPD has yet to be presented to Cabinet. Given the significant and ongoing changes in national guidance relating to design since this meeting (see below), this SPD has yet to be re-presented.
- 7.12. Work has yet to commence on a Parking and Transport SPD.
- 7.13. In February 2020, Councillors approved the 2020/21 budget. This included an approved revenue growth bid for £80,000 funded over two years for a potential focussed review of the Local Plan post-adoption to reflect any new policies arising from the Council's declared climate emergency and associated work. Work on any formal review cannot take place until the current Local Plan examination concludes and a decision is taken on adoption of the Plan. In February 2021, Councillors approved the 2021/22 budget which included a carry forward of this funding.

- 7.14. In June 2020, Cabinet approved its updated Housing Delivery Test Action Plan as required by Government in response to their housing delivery requirements. This included specific actions aimed at ensuring corporate readiness to deliver the growth contained in the new Local Plan (Theme 2 of the Action Plan) and facilitating development and economic recovery following Covid-19 (Theme 3).

Other corporate commitments

- 7.15. The Council declared a Climate Emergency in 2019 and all actions of the authority should be viewed in the context of this declaration. A Climate Change Strategy and Action Plan was approved in January 2020. An update to that strategy is considered in a separate report to this meeting and preceding this decision. Both that and this report contain further detail on how officers have worked to align recommendations with the aims and priorities of the Climate Change Action Plan to address the emergency. The budget bid in paragraph 7.13 above was made in response to the climate change agenda, recognising that the detailed scope of any actions remained to be determined.
- 7.16. In June 2020, Cabinet approved the Peer Challenge Action Plan following the Corporate Peer Challenge (CPC) process undertaken at the start of that year. In broad terms, the recommendations arising out of the CPC included:
- Broadening the Council's focus to an ambitious place-shaping agenda;
 - Aligning resources, policies and capacity to achieve priorities; and
 - Developing a narrative for place.
- 7.17. An update on the CPC is reported separately to this meeting.
- 7.18. The planning and delivery of significant developments cuts across Council directorates and other pre-existing commitments will also be of relevance, such as the March 2020 Cabinet resolution to update the Council's Green Space Strategy, as well as the approaches taken to other matters and services such as asset management or leisure.

Government policy and guidance

- 7.19. The new Local Plan has been prepared to conform with national planning policy (the NPPF) as it stood at the time of the plan's submission for examination¹. There have been numerous proposals and changes since submission of the Plan for examination in 2017. It is important to have regard to these in considering the (continued) appropriateness of resolutions and decisions aimed at supporting implementation of the Plan. The following are highlighted as being of particular relevance to this report.

¹ At examination, the Plan is assessed against the original (2012) version of the National Planning Policy Framework and associated Planning Practice Guidance.

- 7.20. At the time of the Plan's preparation, Government rationalised the standards that Local Plans could set in relation to new buildings. These focussed upon [published technical standards](#) relating to the size of new homes, water efficiency and accessibility. All of these standards are contained within the new Local Plan. At the same time, the Government set out its intention to remove authorities' right to set energy efficiency measures through plans. However, this change was not enacted meaning authorities can presently set energy efficiency requirements through policy to a maximum of a 19% improvement on CO₂ emissions above current building regulations. This is not included within the new Local Plan.
- 7.21. In October 2019, the Government consulted upon its [proposed Future Homes Standard \(FHS\)](#) which set out a pathway to a significant increase in building efficiency requirements through Building Regulations. It again asked whether the ability of local authorities to set efficiency requirements through planning policy should be restricted. The Council responded to this consultation objecting to this proposal, as reported to Cabinet in the Strategic Planning Matters report of March 2020.
- 7.22. Government has recently indicated in [its response to the Consultation](#) that it will not be restricting local authorities ability to set local standards in the short term. However, the forthcoming response to the Planning White Paper will clarify the longer term role of planning and local authorities in determining local energy efficiency standards. Government intends to introduce the necessary legislation to the FHS in 2024 ahead of its implementation in 2025. An interim uplift is to be introduced in 2022, reducing CO₂ emissions by 31% measured against current Building Regulations (i.e. above the planning cap).
- 7.23. In August 2020, Government consulted on its [Planning White Paper](#). This set out a proposed range of ambitious reforms to the planning system *"to streamline and modernise the planning process, bring a new focus to design and sustainability, improve the system of developer contributions to infrastructure, and ensure more land is available for development where it is needed"*. Among its proposals, this consultation asked for views on the introduction of upfront masterplanning of new development as part of the plan-making process and a nationally set planning levy on new development that might replace the existing system of legal agreements and locally set Community Infrastructure Levy. The Council's response was reported to Cabinet in the Strategic Planning Matters report of December 2020. The Government has said it will outline the next steps in Spring 2021.
- 7.24. The Government is strengthening national planning policy on design quality. The updated [NPPF 2019](#) – which is already used for planning decisions - states that the creation of high-quality buildings and places is fundamental to what the planning and development process should achieve (para 124).
- 7.25. In 2019 the Government also published its own [National Design Guide](#) which provides a clear definition of what good design is under 10 characteristics. The government expects the National Design Guide to be used in the assessment of design in planning applications and to support any reasons for refusal on design grounds. In January 2020 the Building Better Building Beautiful Commission (BBBBC) [published its final report Living with Beauty](#) and made a series of recommendations on improving design standards.

- 7.26. The [Government responded to the BBBBC report](#) in January 2021 and key recommendations it will be taking forward are:
- Ensuring that new development is of high-quality design and carried out with greater community consent including making beauty and place-making a strategic policy in NPPF;
 - Putting an emphasis on approving good design and refusing poor quality schemes;
 - Asking local planning authorities to produce their own design codes;
 - Aiming for new streets to be tree-lined; and
 - Improving biodiversity and access to nature through design
- 7.27. These aims are reflected in the current [consultations on draft revisions to the NPPF and a new draft National Model Design Code](#) which include:
- Requiring all local planning authorities to prepare design guides or codes consistent with national guidance and which reflect local character and design preferences;
 - That planning policies and decisions should place significant greater emphasis on the provision and long-term retention and maintenance of trees; and
 - That larger-scale development should be accompanied by clear expectations for the quality of place and ensure the use of appropriate tools such as masterplans and design codes to secure a variety of well-designed and beautiful homes to meet the needs of different groups in the community.
- 7.28. The [Environment Bill](#) was published in January 2020 it is anticipated to become law later in 2021. The Environment Bill 2020 sets out how the government plans to protect and improve the natural environment in the UK and address the environmental and climate change crisis. It will act as one of the key vehicles for delivering the Government's 25 Year Environment Plan
- 7.29. Amongst many measures the draft Environment Bill introduces a mandatory requirement for biodiversity net gain in the planning system, to ensure that new developments enhance biodiversity and create new green spaces for local communities to enjoy. It also introduces provisions requiring the development of Local Nature Recovery Strategies across England.
- 7.30. Local government has an essential role to play responding to environmental challenges at a local level, leading place-specific responses and driving innovation. It is anticipated the Bill will create a framework in which strong local government leadership will be enhanced to drive the necessary, and once-in-a-lifetime environmental improvements to reverse decades of biodiversity loss and improve air quality.

8. RELEVANT CONSIDERATIONS

- 8.1. As can be seen from the background above, there are a wide range of pre-existing commitments and resolutions. These need to be viewed against a rapidly evolving national policy context and new local commitments made since the previous review of guidance in 2017. It is essential to ensure the work programme supporting implementation of the new Local Plan is achieving best value both in terms of resources, timely preparation and contribution to wider objectives.
- 8.2. Officers in consultation with relevant Members have spent the early part of 2021 reviewing the current approaches. This has identified a number of key issues. These include:

- Ensuring consistency with emerging national planning policy guidance on securing design quality in new development and preparing masterplans, local design guides and codes;
- A need to be ready to implement new environmental statutory obligations under the emerging Environment Act, including biodiversity net gain;
- Introducing clear masterplanning guidance to guide a place and design-led approach for significant development that effectively implements and integrates local plan policies and corporate priorities on an area and site basis;
- Formalising new ways of working to provide place-leadership and a corporate and holistic approach to the planning and design of new communities so they are delivered in a timely manner to a high standard of quality;
- Existing gaps in the Council's evidence base and planning guidance to support the successful implementation of local plan policies and secure sustainable development and positive planning and place outcomes (e.g., design, biodiversity, green infrastructure and sustainability);
- Whether, in this context, the previously approved suite of SPDs is suitably scoped to address these planning issues and requirements and align with the Administration's policies, particularly in the context of the climate emergency;
- The rapidly narrowing window between any adoption of the current Plan and the start of a proposed whole plan review by the end of 2023 (as committed to at examination) in which to now accommodate any focussed review of policy through formal plan-making processes;
- The potential conflict between any such review and changing / emerging Government policy particularly with regards to the Building Regulations and energy efficiency;
- That, although a case could be made for the introduction of CIL, it is imperative under any system to improve processes and evidence to most effectively secure contributions;
- The potential for a changed system of developer contributions arising out of the White Paper; and
- That in the current financial climate there are insufficient resources to do everything and it is necessary to use these effectively by prioritising and focussing upon where planning can achieve best value and outcomes.

8.3. Considering the above holistically, this report recommends a revised package of measures which seek to improve upon the outcomes and outputs of the pre-existing commitments and resolutions.

Masterplanning Guidance

8.4. Successful implementation of the local plan and sustainable high-quality development is reliant on robust and comprehensive policies to guide quality places.

- 8.5. The latest proposed modifications to the Plan put forward by the Council include significant amendments to Policy SP9 on Design & Sustainability to support the move towards a more pro-active and enhanced place-leadership role. The policy (as proposed to be modified) sets out
- The requirement for Strategic Masterplans to be produced for all significant development in the district and these to be agreed by the Council;
 - 10 design objectives to inform and assess masterplans and planning applications; and
 - Clear requirements for what should be in the Strategic Masterplans to secure quality and delivery.
- 8.6. This will provide an essential policy 'hook' in the local plan to require quality masterplans to be produced in advance of planning applications and a policy basis for rejecting inadequate schemes. The approach is similar to that taken in East Hertfordshire District Council.
- 8.7. To implement this approach, the Council needs to produce operational masterplanning guidance that clarifies the process the Council expects landowners to take in collaboration with the Council. This advice is set out in Appendix C to this report. It comprises a 10-step process spanning from an initial inception to baseline analysis, agreeing a site specific and place-making vision for the site, developing and testing options, public consultation and the final masterplan report. There will be opportunities for member briefing and community input into this process.
- 8.8. To implement this masterplan approach requires improved ways of working both internally and with the County Council as a key service provider. A recommended approach to project management and governance is set out in the attached guidance. This includes a Project Board with senior leadership and cross-party representation to support the long-term vision and delivery of significant development across the district given these sites will take many years (potentially up to 15) to be implemented. It is also recommended that the Senior Leadership Team considers and identifies a place-making and design champion – linked to the Peer Challenge outcomes - to support place-leadership, the success of the masterplan and design-led approach to new development and the step change required across the district.
- 8.9. Subject to its approval, officers will develop and implement the necessary groups and protocols as well as producing more detailed guidance for developers that will be published on the Council website. Masterplanning guidance will be updated iteratively as required as processes are put in place and lessons learnt from implementation.

Revised programme of SPDs

- 8.10. In light of the above considerations, officers are now of the view that the range of SPDs approved by Cabinet in June 2017 is too narrowly focussed. Given the progress of time, these would not achieve what could now be delivered through the suggested pathway. In particular they would not provide sufficient information to:
- Respond to significant proposed changes on national guidance on design;
 - Address corporate priorities around climate change, place leadership and sustainability; and
 - Secure net gains in biodiversity and deliver emerging provisions in Environment Bill

- 8.11. To resolve this and improve upon the outcomes, it is recommended that the following actions are taken:
1. Re-scope the Design Guide SPD to respond to the emerging revisions to NPPF on design requirements, align with the national design guide and emerging guidance on model design codes and build upon the requirements of Local Plan Policy SP9;
 2. Incorporate the previously approved Parking and Transport SPD into a Sustainability SPD that would be significantly broader in its scope. This would also consider issues including energy efficiency and carbon reduction, climate change adaptation and health and well-being, reflecting those elements of the revised Climate Change Strategy that can be secured or encouraged through the planning system;
 3. Produce a Biodiversity SPD to secure net gain on new sites and in anticipation of 10% biodiversity net gain becoming a mandatory requirement through the Environment Bill;
 4. Support the above through an updated and expanded evidence base that would specifically include:
 - i. Settlement-level character appraisals to inform area and locally specific design guidelines with local community input and aspirations;
 - ii. An updated Green Infrastructure Plan and Strategy (potentially incorporating or informing elements of the corporate Green Space Strategy previously committed to by Cabinet) to clarify where and what new green space is required across the district aligned to planned growth and need; and
 - iii. An ecology network plan to inform the most appropriate approaches to biodiversity (as above) and identify opportunity areas for new and enhanced habitat
- 8.12. The Supplementary Planning Documents could be largely prepared internally with draft versions of all documents being prepared through the remainder of 2021 and early 2022. However, the evidence base would require expert consultancy support – with NHDC officer resource to procure and project management these commissions - with an indicative budget for these work streams of c.£150,000.

Single Issue Review

- 8.13. The above workstreams will have significant resource implications for the planning service and it is important to consider how these might be best realised (see also sections 10 and 15).
- 8.14. As set out above, the currently approved budget includes funding for a potential focussed review of the Plan post-adoption to consider the Council's climate priorities. At the time of the budget request it was considered this was the most likely route through which the planning implications of the climate emergency might be considered and addressed. It has previously been anticipated that any such review would most likely focus upon securing improved energy efficiency in new buildings. However, the budget bid was clear that the outcomes of the Council's climate change policy work would be a key determinant of the eventual work programme.

- 8.15. Government have recently announced that in response to the Future Homes consultation they will not implement legislative changes that would outright prohibit local authorities from producing such planning policies. However, they have also reinforced their intention to increase statutory Building Regulations above and beyond any requirements that might be set through planning (see Paragraph 7.22).
- 8.16. The prospective benefits of delivering the Council's climate objectives through a formal review of planning policy have been considered against the potential costs. In summary, officers have identified there are significant time and cost implications of pursuing a formal plan review. Even if it were focussed on a relatively narrow and specific matter – such as the energy efficiency of new buildings – it would still need to progress through all the same statutory steps as the current local plan. A Single Issue Review would be subject to an Examination in Public and the same tests of legal compliance and soundness, necessitating a comprehensive evidence base and environmental appraisal of any policies. It would likely utilise the currently identified £80,000 budget in full with outcomes of any examination unlikely until 2024. These factors all present inherent risks in terms of timing, costs and resources. Given evolving Government policy in this area (see Section 7), there is a significant risk of any policies being overtaken by events in the intervening period.
- 8.17. It is now considered most effective in the short- to medium-term for the Council to express and achieve its aspirations on climate change matters through the SPDs outlined above. These have a number of advantages over a formal policy review, whilst recognising this approach would constitute guidance rather than statutory policy. SPDs provide a far quicker route to adoption and action against the revised Climate Change Strategy and Action Plan and declared climate emergency. Evidence and draft SPDs could be procured and progressed during 2021 in time to meaningfully influence the fundamental design elements of substantial new developments proposed in the new Local Plan.
- 8.18. The anticipated Further Modifications to the Plan would now commit the Council to an early review of the whole Local Plan to commence by the end of 2023. This would then - subject to the precise nature of anticipated planning reforms - be able to consider the issue of climate change and the pathway towards carbon net zero strategically and across all policy areas including the overall development strategy. Funding for the whole Plan review will need to be considered through future budget-setting cycles.
- 8.19. In turn, this would allow the currently identified resources to be reassigned to the recommended programme of works above.

Community Infrastructure Levy

- 8.20. Officers have similarly re-considered the merits of Community Infrastructure Levy (CIL) in line with the Cabinet resolution of January 2020. The key risk to the Council on taking a definitive decision to pursue CIL at this stage is that any proposals may be overtaken by a national levy approach as mooted in the Planning White Paper rendering any preparatory works and costs abortive. As set out above, the Government has set out its intention to unveil the next steps in relation to the Planning White Paper later in 2021.

Moreover, implementing CIL requires an up-to-date and adopted Local Plan. As set out separately to this meeting, a decision on adoption of the Plan is also now expected later this year. In this context it is considered sensible to await further clarity on these matters such that a decision can be taken in line with forward business planning for the 2022/23 budget cycle (equally this approach could allow a decision to be taken in the absence of any clarity from Government within a reasonable timescale).

- 8.21. Beyond these fundamental points, there are arguments both for and against the introduction of CIL (in its current form) for the District. Among the matters weighing in favour are greater certainty and consistency for developers, the Council and the community, a reduced need for complex negotiation of individual legal agreements – particularly those that require contributions on County matters such as education and highways resulting in a three-way legal agreement – and a better means for capturing development gain from smaller sites in particular.
- 8.22. Over the last decade a significant proportion of new housing development and the vast majority of residential planning applications have been for schemes of 20 units or less and there would be potentially significant administrative efficiencies for schemes of this scale under CIL, particularly in terms of officer time and speed of decisions². It is considered likely that a soundly-based CIL rate for the District would likely match and potentially exceed current levels of contribution secured through s106, in part through better capture from smaller schemes that, in turn, might better address the cumulative burdens that such schemes can place upon local services and infrastructure.
- 8.23. CIL would provide greater certainty of funding to local areas through the ‘parish precept’ which guarantees 15% of relevant receipts to the Parish Council rising to 25% where a neighbourhood plan is in place. It is likely that the collection and administration of CIL would eventually become self-funding as the Council would be able to recoup 5% of receipts for costs.
- 8.24. Against this are the time and resource implications of meeting the statutory implementation requirements and developing the necessary administrative infrastructure. The Council would need to forward fund these given that the relief of administration costs can only commence once the CIL is implemented and collected. Other considerations include that the largest sites (which form the significant majority of anticipated future development in terms of dwelling numbers, albeit from a relatively small number of planning applications) would still require s106 legal agreements even if a CIL were pursued³ and that CIL can be set at ‘risk averse’ levels.
- 8.25. When this matter is viewed in isolation, officer analysis comes down in favour of introducing CIL reflecting the arguments above. However, one key lesson from the review is that – under either system – the Council should enhance its evidence base and processes to ensure that it is optimising contributions (in their broadest sense) from new development. The proposed revisions to the programme of SPDs and associated evidence base above would significantly enhance the Council’s ability to negotiate effective legal agreements on new development and bring significant benefit in this regard.

² Recognising that CIL is set based upon geographic areas rather than development size.

³ Large developments or strategic sites are often ‘zero-rated’ for Community Infrastructure Levy (i.e. they ‘pay’ a rate of £0 per m2) to reflect this.

- 8.26. Given the progress and presently anticipated outcomes of the Local Plan examination, in concert with the Government's stated timetable for progressing the White Paper proposals, it is presently considered most appropriate to focus resources towards ensuring the Council has the right tools to appropriately guide the most significant development schemes in the District. These will be the substantive legacy of the Plan as well as providing major opportunities to positively address the key priorities identified in this report and the revised Climate Change Strategy and Action Plan.
- 8.27. On balance, and having regard to the issue of Local Plan implementation and resourcing in the round, it is therefore recommended that Community Infrastructure Levy is not pursued at this time. However, as above, this matter should be revisited once the proposed programme of works in this report is substantially progressed – thereby freeing up officer resource – and / or there is greater clarity on the Government's proposals and timetable for planning reform.

9. LEGAL IMPLICATIONS

- 9.1. Under the Terms of Reference for Cabinet, paragraph 5.6.8 of the Constitution states that the Cabinet may monitor quarterly revenue expenditure and agree adjustments [to the revenue budget] within the overall budgetary framework.
- 9.2. Under the Terms of Reference for Cabinet, paragraph 5.6.18 of the Constitution states that the Cabinet may exercise the Authority's functions as Local Planning Authority (except to the extent that those functions are by law the responsibility of the Council or delegated to the Service Director: Regulatory).
- 9.3. The legal framework for the production of Supplementary Planning Documents and Development Plan Documents is set out in the Planning & Compulsory Purchase Act 2004 (as amended). Detailed regulatory requirements are contained in the Town & Country Planning (Local Planning) (England) Regulations 2012.
- 9.4. The provisions for planning obligations are set out under Section 106 of the Town and Country Planning Act 1990. The process for introducing a Community Infrastructure Levy is set out in Section 211 of the Planning Act 2008 and a variety of accompanying regulations.

10. FINANCIAL IMPLICATIONS

- 10.1. There are no new revenue implications arising from this report. It is proposed that the recommendations are funded through the reallocation of existing, approved budgets.
- 10.2. As set out above the approved budget for 2021/22 includes revenue funding of £80,000 and £87,000 associated with the Single Issue Review and Community Infrastructure Levy respectively. It is proposed that these budgets are reassigned to support the recommendations of this report.

- 10.3. A high-level estimate is that approximately £150,000 of revenue expenditure would be required to deliver these recommendations. Allowing for contingencies, this could be accommodated from the existing £167,000 funding identified above. The revenue costs of the proposed revised programme would primarily consist of expert consultancy support on design, biodiversity and green infrastructure matters to support the production of the proposed SPDs and provide the necessary evidence base to underpin the approach to masterplanning and securing of developer contributions.
- 10.4. The revised SPD work can only be afforded by the reallocation of the budget from the Single Issue Review and Community Infrastructure Levy (i.e. not undertaking that work). The total spend from carrying out all these pieces of work would significantly exceed the budget available. The extent of the budget required for all the work, in the context of the overall financial position of the Council, would require a decision by Full Council.

11. RISK IMPLICATIONS

- 11.1. The Council's new risk Management Framework specifies that we will now actively manage and monitor risks scoring 4 or higher on the risk matrix.
- 11.2. The Local Plan holds a current risk score of 9. In relation to this report, the risk identifies potential consequences of development which is not sustainable or harms the environment. The proposed programme of work is aimed at mitigating this risk and addressing identified gaps in current environmental evidence to inform detailed scheme design as the proposed allocations in the Plan are brought forward.
- 11.3. Open Space in Major New Developments has a risk score of 8. A more structured and evidence-based approach to green infrastructure and biodiversity should ensure that future developments include open spaces that meet identified needs and requirements, including appropriate arrangements for their long-term management.
- 11.4. Delivering the NHDC Climate Change Strategy has a risk score of 6 noting potential consequences might include a failure to reduce impact on the local environment to the expected level.
- 11.5. Section 106 and Community Infrastructure Levy holds a current risk score of 5. The risk recognises the potential failure to make required improvements to infrastructure and also the balance to be struck between resource implications and contributions in any consideration of introducing a Community Infrastructure Levy.

12. EQUALITIES IMPLICATIONS

- 12.1. None

13. SOCIAL VALUE IMPLICATIONS

- 13.1. The Social Value Act and "go local" requirements do not apply to this report. Subject to approval of its recommendations, any procurement will be conducted in accordance with the Council's contract standing orders.

14. ENVIRONMENTAL IMPLICATIONS

- 14.1. Any Supplementary Planning Documents (SPD) must be 'screened' to determine whether statutory environmental assessment is required which would consider the social, economic and environmental implications of proposed policies and allocations. Any SPD must relate to an adopted Local Plan policy. These SPDs are planned to support the new Local Plan which has been subject to statutory environmental assessment. This revised programme of work has been co-ordinated to support the Council's revised Climate Change Strategy.

15. HUMAN RESOURCE IMPLICATIONS

- 15.1 The Strategic Planning & Enterprise team is not fully staffed with one permanent vacancy and one new Project Officer post approved as part of the budget setting process for 2021/22. Subject to the outcome of this report, managers will ensure the staffing structure within the team is aligned with the future work programme and seek to recruit to vacant posts.

16. APPENDICES

- 16.1 Appendix A – North Hertfordshire Masterplanning Principles

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18. BACKGROUND PAPERS

- [Review of North Hertfordshire Planning Guidance – report to Cabinet July 2017](#)
- [Draft Developer Contributions SPD – report to Cabinet January 2020](#)
- [Peer Challenge Action Plan – report to Cabinet June 2020](#)
- [Housing Delivery Test Action Plan – report to Cabinet June 2020](#)
- [Draft Design SPD – report to Overview & Scrutiny Committee September 2020](#)
- [North Hertfordshire Local Plan – report to Extraordinary Full Council Meeting October 2020](#)

CABINET

25 JULY 2017

***PART 1 – PUBLIC DOCUMENT**

AGENDA ITEM No.

10

TITLE OF REPORT: REVIEW OF EXISTING NORTH HERTFORDSHIRE PLANNING GUIDANCE

REPORT OF THE STRATEGIC DIRECTOR OF PLANNING AND ENTERPRISE
EXECUTIVE MEMBER: COUNCILLOR DAVID LEVETT
COUNCIL PRIORITY: PROSPER AND PROTECT

1. EXECUTIVE SUMMARY

- 1.1 The Council is currently preparing a new Local Plan containing planning policies and site allocations, which will shape development in the District to 2031.
- 1.2 To provide additional detail on planning policies and sites, the Council can produce separate planning guidance documents to provide clarity to applicants and case officers when determining planning applications.
- 1.3 To support the current Saved Policies of the District Plan No.2 with Alterations, the Council already has a series of adopted planning guidance documents.
- 1.4 A review of these existing documents has been undertaken to identify whether they remain relevant in light of the Council's emerging Local Plan that was submitted for Examination on 9 June 2017, or require updating, consolidating or revoking.
- 1.5 This report contains recommendations for these existing planning guidance documents. The production of any new planning documents, as required, would be covered in future reports.

2. RECOMMENDATIONS

- 2.1 That Cabinet approve the revocation of the planning guidance set out in Table A at paragraph 8.8.
- 2.2 That Cabinet approve the review, and where appropriate the consolidation, of existing or new planning guidance documents set out in Table B at paragraph 8.11.

3. REASONS FOR RECOMMENDATIONS

- 3.1 The Council submitted its Local Plan to the Secretary of State on 9 June 2017 for Examination and an Inspector has been appointed. The review of the Council's existing planning guidance documents and the actions contained in this report will demonstrate to the Planning Inspector that the Council has a clear and up to date approach to the authority's planning guidance.

- 3.2 In relation to supplementary planning documents (SPDs), paragraph 153 of the National Planning Policy Framework (NPPF) sets out that SPDs should be used where they can help applicants make successful applications or aid infrastructure delivery, and should not be used to add unnecessarily to the financial burdens on development.
- 3.3 Planning Practice Guidance to the NPPF outlines that supplementary planning documents should build upon and provide more detailed advice or guidance on the policies in the Local Plan.
- 3.4 The Council currently has a large number of existing planning guidance documents, some of which are out of date, or require updating or consolidating with other planning documents.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The alternative option is to continue with the Council's existing series of planning guidance documents. This has not been deemed a suitable approach given that many documents are now out of date, no longer necessary, or are superseded by emerging Local Plan or Neighbourhood Plan policies/ national policy and guidance, or by Building Regulations.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 The Executive Member for Planning and Enterprise has been kept informed on the matters set out above.
- 5.2 Revisions to any retained or consolidated planning guidance will be subject to Cabinet approval and consultation, in accordance with the Town and Country Planning (Local Planning) (England) Regulations 2012.

6. FORWARD PLAN

- 6.1 This report contains a recommendation on a key decision that was first notified to the public in the Forward Plan on the 5th May 2017.

7. BACKGROUND

- 7.1 To provide additional detail on planning policies and sites contained in the Local Plan, the Council is able to produce separate planning guidance documents.
- 7.2 The Council has a series of existing planning guidance documents, which include Supplementary Planning Guidance (SPGs), Supplementary Planning Documents (SPDs), Town Centre Strategies and Planning/ Development Briefs. These documents are available on the Planning Policy pages of the Council's website and provide guidance to the public, applicants and case officers when considering planning applications.
- 7.3 SPDs replaced SPGs in the new planning system introduced under the Planning and Compulsory Purchase Act 2004 and perform the same function. The Council has a number of SPGs, which remain material considerations when determining planning applications.

- 7.4 In the case of SPDs, these documents elaborate upon planning policies and provide more detailed information than can be contained in the policies themselves.
- 7.5 SPDs do not have the same status as the policies within the Development Plan (in North Hertfordshire's case, the Local Plan) and are not subject to an independent Examination. However, SPDs have to undergo public consultation (the requirements of which are stipulated in the Town and Country Planning (Local Planning) (England) Regulations 2012), and are taken into account as material considerations when determining planning applications.
- 7.6 The Council has Town Centre Strategies for the District's four main towns Hitchin, Letchworth Garden City, Baldock and Royston.
- 7.7 There are additionally three existing Planning/Development Briefs that set out in more detail about how sites should be developed. These include the Paynes Park Planning Brief, the Churchgate Planning Brief and the Royston Cross Development Brief.
- 7.8 It is worth noting that two of the Town Centre Strategies, for Letchworth Garden City and Royston, are additionally adopted as SPDs. The other two Town Centre Strategies for Hitchin and Baldock, as well as the Council's Planning/ Development Briefs, are not adopted as SPGs or SPDs and are adopted as the Council Statement of Policy and provide necessary guidance when considering planning applications.

8. RELEVANT CONSIDERATIONS

- 8.1 The Council submitted its Local Plan to the Secretary of State on 9 June 2017 for Examination and an Inspector has been appointed.
- 8.2 To demonstrate to the Local Plan Inspector that a holistic approach is being taken in relation to all of the Council's policies and supporting guidance, the planning policy team has undertaken a review of existing guidance. The review involved the input of the development management team.
- 8.3 The findings of the review indicated that whilst many of the documents were still valid and used frequently by development management officers, there were a number that had become obsolete and could be revoked, reviewed and/or consolidated with other policies or guidance.
- 8.4 It is worth noting that in all cases where officers have deemed a document to remain valid, a review will still be necessary to ensure the guidance is up-to-date and continues to meet the aims of both national policy and guidance and the emerging Local Plan.
- 8.5 Consolidating planning guidance where possible is also deemed beneficial to provide clarity to both case officers and applicants, which should therefore improve the efficiency of the planning application process and lead to higher quality developments across the District.
- 8.6 The following sections identify the proposed way forward for the Council's existing planning guidance.

Existing guidance to be revoked

- 8.7 The following documents have been identified to be revoked without direct replacement. These have been identified as they are now out of date, no longer required, or are superseded by emerging Local Plan or Neighbourhood Plan policies/national policy and guidance or by Building Regulations.
- 8.8 As shown below, some documents that were adopted as SPGs were produced by an external organisation. NHDC therefore has no particular remit to amend, update, consult upon or approve these documents. Responsibility for their review lies with other bodies. It is proposed that these documents are instead cross-referenced in the relevant NHDC planning document. This would allow these documents to be revoked as NHDC adopted supplementary guidance.

TABLE A

Title	Reason for revocation	Timescale
SPG1: Land North of Royston	Sites identified are largely developed out or are allocations in the emerging Local Plan.	Revoke with immediate effect
SPG4: Golf Courses and Facilities	No longer required. The guidance was produced in response to a large number of planning applications for golf courses in the early 1990s. This is no longer a significant issue for the Council warranting supplementary guidance.	Revoke with immediate effect
SPG6: Designing for Accessibility	Out of date. Covered by the Building Regulations and emerging Local Plan Policy HS5 Accessible and adaptable housing.	Revoke with immediate effect
SPG8: Urban Regeneration	Out of date. Conflicts with more recent national planning policy and guidance.	Revoke with immediate effect
SPG10: Nightingale Road, Hitchin (Site HS2)	Out of date. Refers to previous national planning policy PPG24 that no longer exists.	Revoke with immediate effect
SPG15: Shopping areas in town centres	Out of date. Refers to previous national planning policy PPG6 that no longer exists.	Revoke with immediate effect
SPG16: Environmental guidelines for the management of roads in the Chilterns AONB.	This document is an external document jointly published by the Chilterns Conservation Board, Bedfordshire County Council, Buckinghamshire County Council, Hertfordshire County Council and Oxfordshire County Council.	Revoke upon inclusion within, and adoption of, the updated Transport and Parking SPD.

	To ensure this guidance is referred to by applicants, a cross-reference to the latest guidance and any future updates will be included in the update of the Design SPD.	
SPG17:Chilterns buildings design guide	<p>This document is an external document produced by the Chilterns Conservation Board.</p> <p>To ensure this guidance is referred to by applicants, a cross-reference to the latest guidance and any future updates will be included in the update of the Design SPD.</p> <p>Emerging Local Plan Policy NE3 part e) additionally requires applicants to comply with the Chilterns Building Design Guide.</p>	Revoke upon inclusion within, and adoption of, the updated Design SPD, or the emerging Local Plan, depending on which document is adopted first.
SPG18: Ashwell village design statement	Anticipated this will be covered by proposed Neighbourhood Plan	Revoke upon adoption of any relevant Neighbourhood Plan should it contain an equal statement.
SPG20:Letchworth Design Guide	<p>This document is an external document produced by the Letchworth Garden City Heritage Foundation.</p> <p>To ensure this guidance is referred to by applicants, a cross-reference to the latest guidance and any future updates will be included in the update of the Design SPD.</p>	Revoke upon inclusion within, and adoption of, the updated Design SPD.
SPG21: Pirton Village Design Statement	Covered by emerging Neighbourhood Plan	Revoke upon adoption of the relevant Neighbourhood Plan should it contain an equal statement
SPG:Energy conservation requirements	Out of date. Covered by the Building Regulations.	Revoke with immediate effect
Paynes Park Planning Brief	Covered by emerging Local Plan policy HT12 which sets site specific criteria taken from the brief.	Revoke upon inclusion within, and adoption of, the updated Town Centre Strategies for Hitchin or the emerging Local Plan, depending on which document is adopted first.

Churchgate Planning Brief	Covered by emerging Local Plan policy HT11 which sets site specific criteria taken from the brief.	Revoke upon inclusion within, and adoption of, the updated Town Centre Strategies for Hitchin or the emerging Local Plan, depending on which document is adopted first.
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Existing guidance to be retained

- 8.9 The following existing guidance has been identified to be retained, although possibly in a different format. The proposed way forward represents current officer thinking. The exact nature of the format and number of guidance documents going forward will be developed as the Local Plan and relevant strategies progress,
- 8.10 As set out below, the guidance to be retained will be reviewed to ensure it is up to date and is consistent with the emerging Local Plan as well as national policy and guidance.
- 8.11 Where the Council has identified planning guidance documents that would be beneficial to retain, the documents are proposed for consolidation where possible. This will ensure a more streamlined approach and will improve clarity for the public, case officers and applicants.

TABLE B

Title	Proposed way forward
SPG3: Access to Hitchin Industrial Areas This guidance refers to the upgrade of the Cadwell Lane junction.	Review and include in the Transport Strategy
SPD: Vehicle Parking at New Developments	Review upon adoption of the Local Plan and include in a Transport and Parking SPD to reflect coverage of wider transport issues.
SPG19: North Herts Towns Cycle Routes Network(part 1: introduction and Royston)	Review and consolidate where possible into a single document on sustainable transport
SPG19: North Herts Towns Cycle Routes Network (part 2: Baldock)	
SPG19: North Herts Towns Cycle Routes Network (part 3: Letchworth)	
SPG19: North Herts Towns Cycle Routes Network (part 4: Hitchin)	

SPD: Design Supplementary Planning Document	Review and consolidate into single revised Design SPD
SPG11: Design guide for a shopfront in Baldock	
SPG12: Design guide for a shopfront in Hitchin	
SPG13: Design guide for a shopfront in Letchworth	
SPG14: Design guide for a shopfront in Royston	Review and consolidate into an overarching Town Centre Strategies SPD with sections for each town that can be individually reviewable. The guidance would be produced to provide a balance between high level principles and specific detail for each town.
Baldock Town Centre Strategy	
Hitchin Town Centre Strategy	
Letchworth Garden City Town Centre Strategy	
Royston Town Centre Strategy	
Royston Cross Development Brief	
SPG: River Hiz Development Guidelines	Review document and title to be confirmed pending the Government's response to the CIL Review (please refer to paragraph 8.16 below)
SPD: Guidance for Planning Obligations Supplementary Planning Document	

Programme and next steps

- 8.12 Whilst the planning policy team's resources will be focused on the Local Plan Examination in the coming months, it is expected that reviews of the relevant guidance documents as set out above will commence in late 2017/early 2018. The reviews will be progressed as required, however, at this stage it is anticipated that the review of the following planning guidance documents will be prioritised:
- SPD: Vehicle Parking at New Developments to be revised and renamed 'Transport and Parking SPD'.
 - SPD: Design Supplementary Planning Document
 - SPD: Guidance for Planning Obligations Supplementary Planning Document (title to be confirmed pending the Government's response to the CIL Review (please refer to paragraph 8.16 below).
- 8.13 It should additionally be acknowledged that the Examination process for the Local Plan and ongoing planning applications could identify other issues that would benefit from the creation of new planning guidance, or the inclusion within existing guidance.
- 8.14 Any new or revisions to existing guidance would be undertaken in accordance with the Town and Country Planning (Local Planning) (England) Regulations 2012, including the aspects relating to consultation procedures.
- 8.15 As referred to in paragraph 9.4, Supplementary Planning Guidance is not caught by the Town and Country Planning (Local Planning) (England) Regulations 2012, however it was considered by the planning policy team that a holistic approach be taken with regards to both saved policies and guidance.

- 8.16 It is worth noting that Government's approach following the Housing White Paper (February, 2017)¹ and the Community Infrastructure Levy (CIL) Review (February, 2017),² (as reported in the 22 November 2016, 19 December 2016 and 24 January 2017 Strategic Planning Matters reports), will also have a significant bearing on the future direction and content of planning guidance. Government has identified a number of proposed amendments in the White Paper, some of which require further consultation. The CIL Review proposes the introduction of a nationally determined tariff which could obviate the need for NHDC to formulate its own Levy.
- 8.17 Whilst the CIL Review findings were published at the same time as the Housing White Paper, a decision has yet to be made on the future operation of CIL and its interaction with Section 106. Government will respond to the independent review at Autumn Budget 2017.
- 8.18 The requirement scope of any planning obligations guidance will be determined once these outcomes are known.

9. LEGAL IMPLICATIONS

- 9.1 In terms of revocation, the Town and Country Planning (Local Planning) (England) Regulations 2012, Section 15(2) states that a local planning authority may revoke any supplementary planning document.
- 9.2 The preparation, adoption revocation or withdrawal of planning guidance, including SPDs are not reserved to Full Council.
- 9.3 Under the Terms of Reference for Cabinet paragraph 5.6.18 of the Constitution states that the Cabinet should exercise the Council's functions as Local Planning Authority except where functions are reserved by law to the responsibility of the Council or delegated to the Strategic Director of Planning, Housing and Enterprise.
- 9.4 SPGs are Local Development Documents (LDDs) for the purposes of plan-making, however, they are not Development Plan Documents (DPDs) and therefore are not subject to the same processes of consultation and adoption as set out in the Town and Country Planning (Local Planning) (England) Regulations 2012.

10. FINANCIAL IMPLICATIONS

- 10.1 An allowance has been made within the Local Plan budget for the preparation and review of planning guidance.
- 10.2 Longer term, streamlining the available planning guidance and providing enhanced clarity to both case officers and applicants has the potential to improve efficiency in the planning application process, thus reducing costs associated with officer time.

11. RISK IMPLICATIONS

- 11.1 Although the Local Plan itself is a top risk for the Council, as planning guidance clarifies policy, it is not deemed a high risk.

¹ Housing White Paper, Fixing our broken housing market, February 2017

² CIL Review, A new approach to developer contributions: a report by the CIL Review team, February 2017

- 11.2 Nonetheless, the risks associated with not undertaking the actions set out in this report include: lack of clarity and uncertainty to case officers and applicants when determining planning applications, potential to impede the Local Plan Examination process, and lack of consistency with the emerging Local Plan as well as national planning policy and guidance.

12. EQUALITIES IMPLICATIONS

- 12.1 In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2 An Equality Impact Assessment has been produced for the Council's Local Plan. This has been submitted as an evidence base document as part of the Local Plan Examination. The assessment has identified no negative impacts arising from the Local Plan. As planning guidance directly stems from the Local Plan policies, it can be inferred that there are no negative impacts arising from the proposed actions outlined in this report.

13. SOCIAL VALUE IMPLICATIONS

- 13.1 As the recommendations made in this report do not constitute a public service contract, the measurement of 'social value' as required by the Public Services (Social Value) Act 2012 need not be applied, although equalities implications and opportunities are identified in the relevant section at Section 12.

14. HUMAN RESOURCE IMPLICATIONS

- 14.1 The Strategic Planning team is a small team with one vacancy, a further recent resignation and in the future an officer going on maternity leave. These three posts have been advertised and a verbal update on resources will be given at the meeting.
- 14.2 As set out in Section 10 Financial Implications above, longer term, streamlining the available planning guidance and providing enhanced clarity to both case officers and applicants has the potential to improve efficiency in the planning application process, therefore minimising staff resources.

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16. BACKGROUND PAPERS

- 16.1 The Council's current supplementary guidance can be found on the Council's Planning Policy webpage at:
<https://www.north-herts.gov.uk/home/planning/planning-policy/local-plan/local-plan-current-policy>

**CABINET
19 MARCH 2024**

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: COUNCIL DELIVERY PLAN – Q3 UPDATE FOR 2023/24 AND PROJECTS FOR 2024/25

REPORT OF: REPORT OF THE SERVICE DIRECTOR - RESOURCES

EXECUTIVE MEMBER: FIANANCE AND IT

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

1. EXECUTIVE SUMMARY

This report presents progress on delivering the Council Delivery Plan for 23-24 at the end of Quarter 3, which includes:

- Progress against the completion of Council projects and milestones.
- Requests to change milestone dates.
- Commentary on progress made and any new issues, risks, or opportunities.
- The addition of new projects.

It also makes recommendations on the 24-25 Council Delivery Plan, including:

- The initial projects to be included.
- Over-arching risks
- Approach to performance indicators.

2. RECOMMENDATIONS

- 2.1. That Cabinet notes the progress against Council projects as set out in the Council Delivery Plan (Appendix A) and approves the changes to milestones.
- 2.2. That Cabinet agrees the scope of the 24-25 Council Delivery Plan as detailed in paragraphs 8.8-8.10.

3. REASONS FOR RECOMMENDATIONS

- 3.1. The Council Delivery Plan (CDP) monitoring reports provide Overview and Scrutiny and Cabinet with an opportunity to monitor progress against the key Council projects, and understand any new issues, risks or opportunities.
- 3.2. Making a recommendation on the 24-25 CDP means that the Q1 report will provide the information that the Committee wants. It also helps set the priorities for the Council, as those projects that form part of the CDP will be prioritised.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. In developing the CDP, it was agreed that Cabinet would receive quarterly updates. The updates are also provided to Overview and Scrutiny Committee so that they can provide additional oversight and support to Cabinet.
- 4.2. It is possible to just continue to monitor the existing projects during 24-25, but that would mean that they may not reflect the priorities of the Council.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1. Service Directors and Service Managers have provided updates on progress and will have made Executive Members (and Deputies) aware of progress made.
- 5.2. A draft of the Quarter 3 update was provided to Performance and Risk Management Group (PRMG) in February. The Group has a standing invite to the Executive Member for Finance and IT (has responsibility for performance monitoring), the Deputy Executive Member for Finance and IT, the Chair of Overview and Scrutiny (O&S) and the Chair of Finance, Audit and Risk Committee (FAR). Other members of O&S and FAR are also encouraged to attend when they are able to. PRMG were asked to comment on the content and format of the CDP Q3 update.
- 5.3. The CDP is reviewed by Overview and Scrutiny Committee, and they are asked to provide comments and recommendations to Cabinet.
- 5.4. Service Directors and Executive Members have scored their projects against prioritisation criteria. The results have been moderated by a group made up of the Leader, Deputy Leader, Executive Member for Finance and IT, Deputy Executive Member for Finance and IT, Managing Director and Service Director: Resources.

6. FORWARD PLAN

- 6.1 This report contains a recommendation on a key Executive decision first notified on the Forward Plan on the 16 February 2024.

7. BACKGROUND

- 7.1. The CDP brings together projects, risks and performance indicators together in one document. It was implemented in Spring 2022. The CDP is an evolving document that should change over time to reflect Council priorities.

8. RELEVANT CONSIDERATIONS

- 8.1 Appendix A provides an update on the progress made in delivering the Council Delivery Plan. Whilst it is labelled as a Quarter 3 update, it generally reflects the latest position at the time that the report was written (February).
- 8.2 The project completion percentage reflects the number of milestones that have been completed, against the number of milestones that have been set. In general, the number of milestones that have been set will cover what is expected to be achieved in the current financial year (up to 31st March), but (for longer projects) will not be all the milestones up to ultimate completion. Following feedback from Cabinet in September, this method of reporting completion will be kept under review.
- 8.3 The overall completion status of a project is measured against the current target completion date for current milestones. It does not reflect the ultimate completion date, and it is also updated as there are changes in milestone dates. For example, a project could have had an initial completion date of April 2023. Through changes to milestones that target completion date has now been agreed to be December 2023. The current status would therefore be a green arrow, even though the original target date had been missed. The original due date for each project has now been included on the report, in addition to the current due date.
- 8.4 15 projects have proposed changes to milestone dates in Q3. These changes are highlighted in yellow in Appendix A. The majority of the changes to the milestone dates relate to available resources. In a few cases this is due to contractor delays, but generally relates to internal resources. Two of the delays are due to changes in approach (i.e., Empty Homes strategy being aligned with Council Tax premiums and budget consultation being focused on decisions in future years). Three of the delays are due to delays in being notified of grant awards (i.e., resident EV charging in our car parks, solar thermal and solar PV).
- 8.5 One project has had new milestone dates added. The Churchgate project has had milestones added for the appointment of specialist support for the masterplan process and investment prospectus presented at UKREiF event. The first of these has already been completed. New milestones are highlighted in green in Appendix A.
- 8.6 It is recommended that the Digital Transformation project is added to the CDP, including new milestones and risks. This is detailed on page 25 of Appendix A. No projects have been completed during Q3.
- 8.7 At the June Overview and Scrutiny meeting, the need to prioritise projects was discussed, especially given the impact that resourcing was having on the delivery of projects. The Quarter 2 report detailed that a prioritisation tool had been developed (attached at Appendix B) and that this would be used to evaluate all the projects in the current CDP, to determine which would be included in the 24-25 CDP. Paragraph 5.4 provides details of how an evaluation and moderation process was carried out. As part of the moderation process it was determined that the CDP should focus on projects where there is a defined plan of how they will be delivered. This means that some projects will come off the CDP. Work on coming up with a defined plan will still continue

and be included on service plans, although this will depend on available resources. When there is a defined plan in place, then the project will be reviewed as to whether it should be put back on the CDP.

- 8.8 The conclusion of this project evaluation is detailed in table 1 below. The reduction in number of projects (11-14) that form part of the CDP will help to make the quarterly updates more focused. The budget proposals included additional resource for some of the leisure projects. To help ensure the delivery of the CDP projects it is expected that these will be prioritised, which means other lower priority projects may be delayed. Projects may be added back onto the CDP if they meet the required criteria.

Table 1

Green highlight = to be included on new CDP, Orange highlight = may be included on new CDP.
Red highlight = score that does not meet threshold.

Project	Total Score*	Number of Red indicators*	Number of Amber indicators*	Currently meets CDP criteria*	Comments	Part of 2024/25 CDP
Leisure procurement	81	0	2	Yes	Will be complete by early 2024/25, and move in to business as usual (BAU)	No
Churchgate	76	0	2	Yes	Whilst there is no specific plan, the process of getting to a plan will involve resident and other stakeholder engagement.	Yes
Waste and street cleansing contract	76	0	2	Yes		Yes
Solar PV on leisure buildings	73	0	2	Yes	If Public Sector Decarbonisation Scheme bid is successful, then create a wider project for that. Otherwise, a single project to cover solar PV and solar thermal	Yes
Royston Solar Thermal	64	0	3	Yes		
Local Plan	69	0	4	Yes	Rename as 'Review of Local Plan' to make focus clearer	Yes
Master Planning	64	0	5	Yes	To continue as BAU as progress dependent on third parties	No
Digital Transformation	63	0	2	Yes	Added as part of this Q3 report	Yes
Pay on exit parking	56	1	3	Yes		Yes

Project	Total Score*	Number of Red indicators*	Number of Amber indicators*	Currently meets CDP criteria*	Comments	Part of 2024/25 CDP
Museum Storage	55	0	6	No	Continue work looking at options, but remove from CDP until there is a deliverable plan	No
Enterprise Strategy	54	0	5	No	Continue using available resource to develop a strategy. Add back to CDP depending on what the strategy includes.	No
Financial Sustainability	53	0	4	Yes	To remain as an over-arching risk, and have a specific project 'Engaging the community on our finances and how we spend our money'	Yes
Delivering housing on Council Land	53	0	4	Yes	Latest report suggests that standard disposal may be the most viable. In that case would be BAU. Consider adding back if we do develop site(s) ourselves.	No
Playgrounds	53	0	4	Yes	For playground renewals then treat as BAU. For significant changes (e.g. new provision, major improvements to the existing) then will be on the CDP.	Yes- but project dependent
Oughtonhead Common Weir	53	0	4	Yes		Yes
Town Centre Strategies	52	0	4	Yes		Yes
LAHF	51	0	6	No	Phase 2 complete by end of March. To consider adding Phase 3 if funding available.	No
Charnwood House	51	0	5	No	Consider retaining if there is a viable plan as that may affect the scoring. Continue to work on options.	TBC

Project	Total Score*	Number of Red indicators*	Number of Amber indicators*	Currently meets CDP criteria*	Comments	Part of 2024/25 CDP
Empty Homes Strategy	49	0	7	No	Strategy has been adopted by Cabinet, so move to BAU	No
Homelessness- others providing accommodation	49	0	8	No	BAU, unless we develop a specific project where we are the delivery lead.	No
Residential/ Public EV charging	49	1	3	Yes		Yes
Cycling networks	47	0	4	Yes	Continue supporting options, but remove until a defined plan as currently all progress is dependent on 3 rd parties	No
Royston Town Hall Annexe	45	2	3	Yes	Continue work as resources allow and engagement from others (e.g. HCC, NHS). But remove from CDP until there is a deliverable plan	No
Shared Prosperity Fund (SPF)	43	1	3	No	Proposal for use of 24/25 funding to be considered by Cabinet in March. Reflect any significant individual projects on the CDP.	TBC
Health Inequalities	42	0	7	No	BAU when funding available, may be part of SPF project	No
New waste depot	41	3	3	Yes	Continue to consider any options and assess when there is an absolute need . But remove from CDP until a viable plan.	No
Town Centre Recovery	40	1	2	No	Remove, as recovery phase completed. May tie into Enterprise Strategy or SPF	No
Place Narrative	40	1	4	No	To be continued as BAU	No

* Proposal was that projects should be stopped completely where they scored less than 40 points or had 3 or more red scores. Projects should be challenged where they had 5 or more amber scores. Projects would meet the CDP criteria where they achieved 2 or more

green scores against these key criteria: impact of non-delivery, Council plan alignment, external benefits and contribution towards financial sustainability.

- 8.9 There are currently two over-arching risks that affect (or have the potential to affect) all projects. These are resourcing and cyber security/ IT availability. It is recommended that the availability of financial resources is added to that list.
- 8.10 Before we moved to the current CDP process, we were reporting on a lot of performance indicators that did not provide much insight on how the Council overall was performing (i.e. from a corporate perspective). The idea with the CDP was that we would link performance indicators to the projects. However we have found that very few projects have meaningful indicators. Also, for those projects that do have indicators they tend to only provide meaningful data after implementation/ completion, and by that point the project itself has been removed from the CDP. Whilst it is important that we make sure that projects have achieved their goals, that is probably best assessed through the project management process. It is recommended that we develop a set of performance indicators that give a view of how the Council overall is performing. This could include measures in relation to customer services performance, customer satisfaction and complaints, HR and resourcing, environmental sustainability,
- 8.11 The intention is that the CDP reports provide an overview, as providing all the details on projects and risks would lead to a report that was too long. Requests can be made (especially by O&S) to look at individual projects in more detail. Any such request would be incorporated into the next monitoring report. No requests were made at the last Committee meeting.
- 8.12 Members are able to view the detail of all projects, risks and performance indicators by accessing the Council's Performance and Risk software, Pentana (Ideagen). Details of the guest login can be found on the intranet, along with a procedure note on how to navigate the system. Officers will also assist with accessing and using the software.

9. LEGAL IMPLICATIONS

- 9.1 The constitution determines the role of Cabinet as including: "To take decisions on resources and priorities, together with other stakeholders and partners in the local community, to deliver and implement the budget and policies decided by the Full Council. To monitor performance and risk in respect of the delivery of those policies and priorities" (paragraph 5.7.3) .
- 9.2 The constitution determines the role of Overview and Scrutiny as including: "To review performance against the Council's agreed objectives/ priorities and scrutinise the performance of the Council in relation to its policy objectives, performance targets and/ or service area. To consider risks to the achievement of those objectives/ priorities. To make recommendations to Cabinet" (paragraph 6.2.7 (s)).

- 9.3 There are no specific legal implications arising from the CDP as a whole. However, there may be individual legal implications for some of the projects outlined. Any commissioning of work on new and existing projects will follow the standard legal requirements and those required by the Council's internal standing orders, contained within the Constitution.

10. FINANCIAL IMPLICATIONS

- 10.1 There are no direct financial implications arising from this report. Where projects are linked to efficiencies or investments then these are included in the budget proposals and monitored through the quarterly finance reports.

11. RISK IMPLICATIONS

- 11.1 Good Risk Management supports and enhances the decision-making process, increasing the likelihood of the Council meeting its objectives and enabling it to respond quickly and effectively to change. When taking decisions, risks and opportunities must be considered.
- 11.2 The Council Delivery Plan aims to support the risk management process by directly linking the risks to projects being undertaken. The aim of these proposals is to strengthen the link between performance and risk and make risks more current. This should provide an improved perspective of the risks that the Council faces.

12. EQUALITIES IMPLICATIONS

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

13. SOCIAL VALUE IMPLICATIONS

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

14. HUMAN RESOURCE IMPLICATIONS

- 14.1 There will continue to be a need to align Council and Service objectives with available people resources to be able to achieve them. The Council Delivery Plan will help to make that link clearer, but as referenced above there is a need to prioritise to make that achievable.

15. ENVIRONMENTAL IMPLICATIONS

- 15.1 There are no known Environmental impacts or requirements that apply to this report. However, a number of the projects to be monitored throughout the year are related to key environmental issues.
- 15.2 As projects progress, Environmental Implications will be considered, and Environmental Impact Assessments conducted where relevant.

16. APPENDICES

Appendix A – Council Delivery Plan 23-24 Q3 monitoring report.
Appendix B- Project prioritisation scoring template.

17. CONTACT OFFICERS


















- 17.1 Ian Couper, Service Director: Resources ian.couper@north-herts.gov.uk; ext. 4243
- 17.2 Rachel Cooper, Controls, Risk and Performance Manager, Rachel.cooper@north-herts.gov.uk, ext. 4606
- 17.3 Tim Everitt, Performance and Risk Officer, tim.everitt@north-herts.gov.uk, ext. 4646
- 17.4 Jeanette Thompson, Service Director: Legal and Community. jeanette.thompson@north-herts.gov.uk, ext. 4346
- 17.5 Ellie Hollingsworth, Policy and Strategy Trainee,. Ellie.hollingsworth@north-herts.gov.uk, ext. 4220

18. BACKGROUND PAPERS

None

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Council Delivery Plan – Status Key

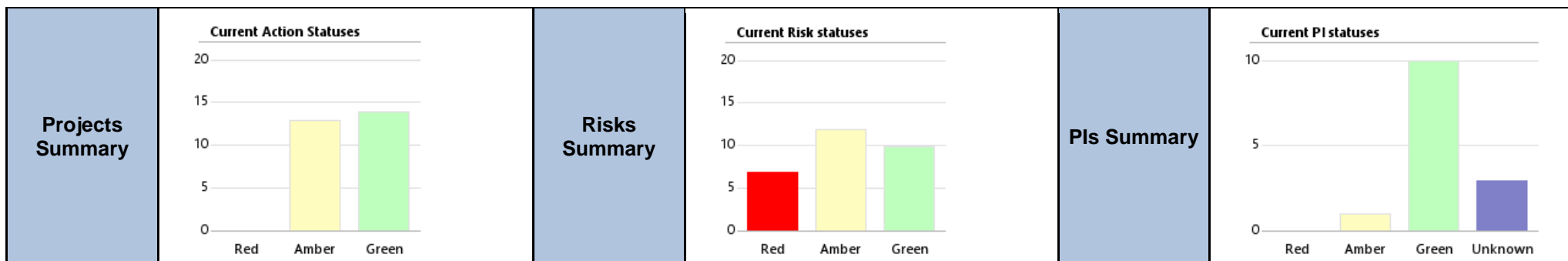
Status	Description
Projects	
	The project (and all recorded milestones) has been completed.
	All ongoing milestones have not reached their due dates (or do not have due dates).
	There is at least one ongoing milestone that has not been completed by the due date, but the overall project due date has not passed. Proposals to change milestone due dates will be made, which may also lead to a proposed change to the overall project due date.
	Overall project due date has passed and there is at least one milestone that has not been completed. Proposals to change project due date and milestone due dates will be made.
	The progress bar is based on the number of completed milestones compared with the total number of milestones e.g., two completed out of a total of six would be 33%. Therefore, 0% reflects that no milestones have been completed yet, rather than there has been no progress at all.
Risks	
	Assessed as a low risk.
	Assessed as a medium risk.
	Assessed as a high risk.
	
PIs	
	Data value has met or exceeded the target figure.
	Data value has not achieved the target figure, but it is within the agreed tolerance range.
	Data value has not achieved the target figure and it is outside the agreed tolerance range.
	Pentana cannot calculate a status, as officers have not entered a target figure for the period on to the system.
	Data value has improved compared with the same time last year.
	Data value has deteriorated compared with the same time last year.
	Data value has not changed compared with the same time last year.
	Pentana cannot calculate a direction of travel, as previous data is not available for comparison.

2023/24 Council Delivery Plan





Project	Status
Finalise Pay on Exit Parking Review	
Financial Sustainability/Balancing our Budget	
Health Inequalities	
Master Planning	
New Ways of Delivering Housing on Council Land	
Oughtonhead Common Weir	
Playground Renovation Programme	
Pursue commercial leasing opportunity for Royston Town Hall Annexe	
Resident/Public EV Charging in our Car Parks	
Royston Leisure Centre Solar Thermal	
Solar PV on Leisure Centres	
Waste Depots	
Work with relevant partners to prevent and relieve homelessness whenever possible	
Charnwood House	
Churchgate	
Cycling Network	
Empty Homes Strategy	
Enterprise Strategy	
Leisure Contract Procurement	
Local Authority Housing Fund	
Local Plan Delivery and Review	
Museum Storage	
Shared Prosperity Fund	
Town Centre Recovery	
Town Centre Strategies	
Waste and Street Cleansing Contract Procurement	
Digital Transformation	



Status Summaries



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	Finalise Pay on Exit Parking Review	Due Date	31-May-2024	Progress	<div>50%</div>	Original Date	30-Sep-2022
Project Summary	Procure suppliers and start replacing all existing parking machines in early 2024.						
Latest Update	29-Jan-2024 Progress continues to be made. Appointment of contractor to replace existing parking machines via a framework mini competition expected to happen by the end of January 2024, or shortly thereafter. Now expect procurement of contractor to replace tariff boards to be completed by the end of May 2024, as resources have been focussed on the initial parking machines procurement. The update of TROs is ongoing and now expected to be completed and advertised by the end of April 2024. Preliminary works (e.g., site surveys) could still commence by the end of March 2024, but the majority of installation works will be undertaken during 2024/25. Still anticipate all works being completed by 31 March 2025 in line with allocated Capital funding, although if unexpected issues do arise, we have the option to implement a phased approach. Risk level still assessed as low, with low risks associated with the procurement of contractors, public reaction to changes/associated disruption, and the impact on future parking income.						
Milestone		Due Date	Complete	Note			
Procure supplier by framework mini competition to replace existing parking machines.		31-Jan-2024	No	Exercise commenced November 2023 and will complete January or early February 2024.			
Procure supplier to replace tariff boards.		29-Feb-2024	No	Due date to change to May 2024. Linked to resources being focussed on the initial parking machines procurement.			
Contractor to commence preliminary works (with the majority of works being undertaken during 2024/25).		31-Mar-2024	No	Although there have been project delays due to resourcing and procurement issues, we still expect all works to be completed by 31 March 2025 in line with allocated Capital funding.			
Update TROs.		31-Mar-2024	No	Due date to change to April 2024. Ongoing but now expected to be completed and advertised by the end of April 2024.			


Risks	Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
1. Budget implications of selected scheme. 2. Inability to procure suppliers within approved budget. 3. Negative public reaction to changes and disruption during works. 4. Loss of income during associated works.		1	1	1					


	Financial Sustainability/Balancing our Budget	Due Date	30-Sep-2025	Progress	<div><div>50%</div></div>	Original Date	28-Feb-2023		
Project Summary	To deliver a medium term balanced budget for the Council that reflects Council priorities.								
Latest Update	01-Feb-2024 Council adopted the Medium Term Financial Strategy on 23 November 2023. Regarding engagement on budget setting, developed a communications plan to align with the budget being considered by Council at the end of February 2024. This will now extend in to a longer-term plan through the budget cycle to set the 2025/26 budget. Consultation on funding reform now expected in summer 2025 at the earliest, as will be after the General Election.								
Milestone		Due Date	Complete	Note					
Medium Term Financial Strategy approved by Council.		23-Nov-2023	Yes	Council adopted the Medium Term Financial Strategy on 23 November 2023.					
Communications on how the Council sets its budget.		30-Nov-2023	No	Due date to change to 29 February 2024. Developed a communications plan to align with the budget being considered by Council at the end of February. This will now extend in to a longer-term plan through the budget cycle to set the 2025/26 budget.					
Budget for 2024/25 approved by Council.		29-Feb-2024	No						
Respond to expected consultation on funding reform.		30-Sep-2024	No	Due date to change to September 2025. Not now expected to have consultation until at least summer 2025, as will be after the General Election.					
Risks	Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
1. Funding reductions as a result of new funding formula. 2. Sales, fees, and charges income shortfalls, either due to rates not tracking inflation and/or reductions in demand. 3. Not able to make the required decisions to deliver budget savings required. 4. Increases in costs (reductions in income) when contracts are renewed and as a result of inflationary increases. 5. Uncertainty over levels of pay inflation required.		9	9	5					

Latest Update	30-Jan-2024 Progress remains ongoing on these projects; however, no milestones were reached in the latest quarter. Progress on the North Stevenage masterplan was paused by the applicant while an outline planning application was prepared and submitted. Work is now expected to resume to complete the masterplan. Sites at Baldock, Letchworth and Luton have been considered by the Council's internal Project Board and subject to public consultation (or imminently will be). Following the last update, a permanent professional post was advertised in Autumn 2023 but was not successfully recruited to and alternative options are currently being considered. Resolving issues on the client-side equally remains a significant influence on progress. These delays, alongside the upcoming 'all out' Council elections, mean that formal decisions on masterplans are now likely to take place after May 2024.
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Milestone	Due Date	Complete	Note
Approval of pre-application Strategic Masterplan for GA2 North-east of Great Ashby (Local Plan Policy SP18).	31-Dec-2023	No	Due date to change to 30 June 2024. See update dated 30 January 2024.
Approval of pre-application Strategic Masterplan for NS1 North of Stevenage (Local Plan Policy SP16).	31-Dec-2023	No	Due date to change to 30 June 2024. See update dated 30 January 2024.
Further consideration of Highover Farm masterplan by Planning Committee (18/01154/OP, Local Plan Policy SP17).	31-Dec-2023	Yes	Application re-presented on 12 October 2023 and resolved that permission be granted subject to conditions and completion of a legal agreement.
Approval of pre-application Strategic Masterplan for Baldock sites (Local Plan Policies SP14, BA2, BA3 & BA10).	31-Mar-2024	No	Due date to change to 30 June 2024. See update dated 30 January 2024.
Approval of pre-application Strategic Masterplan for LG1 North of Letchworth (Local Plan Policy SP15).	31-Mar-2024	No	Due date to change to 30 June 2024. See update dated 30 January 2024.
Approval of Strategic Masterplan for EL123 East of Luton (Local Plan Policy SP19).	31-Mar-2024	No	Due date to change to 30 June 2024. See update dated 30 January 2024.

Risks	Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
<p>1. Risk of poor scheme outcomes that do not appropriately respond to local character and context.</p> <p>2. Risk that strategic sites do not maximise contribution to corporate objectives and priorities of climate change, environment, economy and place.</p> <p>3. Risk of delay to delivery of strategic sites if masterplan process is delayed or stalled or provides insufficient information to guide subsequent planning applications.</p> <p>4. Failure to secure funding to resource the process.</p> <p>5. Reduction in pre-application income and delay to income from planning applications.</p> <p>6. Failure to retain/recruit sufficiently experienced officers.</p> <p>7. Risk of adverse appeal findings on other/non-Local Plan sites if delivery is delayed or stalled.</p>		5	5	3					



	New Ways of Delivering Housing on Council Land	Due Date	31-Mar-2024	Progress	<div><div>66%</div></div>	Original Date	01-Dec-2022
Project Summary	Alternative ways to deliver housing on surplus Council land (other than sale to a developer) to provide a greater financial return to the Council.						


Latest Update	01-Feb-2024 Following receipt of the initial external Chartered Surveyor market research report, we requested further work to clarify the report findings and to focus on the detail of specific options. Due to the consultant being heavily committed to other projects on our behalf and the need to engage with Finance in relation to the appraisal of internal rates of return, we now expect the further report on preferred options to be delivered by 31 January 2024. If required, once there is clarity regarding the options available, further milestones will be added to the Council Delivery Plan monitoring report. Risk level still assessed as medium, as there remains uncertainty regarding our ability to move forward with specific sites and the appetite for pursuing identified options.								
Milestone			Due Date	Complete	Note				
Further work to clarify report findings and to focus on the detail of specific options, leading to a report/further advice on the preferred options.			23-Dec-2023	No	Due date to change to 31 January 2024. Linked to consultant being heavily committed to other projects on our behalf and the need to engage with Finance in relation to the appraisal of internal rates of return.				
If required, and dependent on market research findings, develop milestones/timings to report and make a formal decision on the preferred way forward.			31-Mar-2024	No	Although still to be confirmed, expect to have developed plans for moving things forward by the end of March 2024.				
Risks	Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
1. Being able to develop a viable project. 2. Ensuring Contract Procurement Rules are adhered to. 3. Housing development subject to planning. 4. Working with the right supplier(s) for the Council. 5. Lack of demand and absorption rate for tenure and build type.		5	5	5					


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	Oughtonhead Common Weir	Due Date	30-Sep-2024	Progress	<div><div>75%</div></div>	Original Date	30-Sep-2024		
Project Summary	Replace the collapsed weir.								
Latest Update	12-Jan-2024 Still anticipate design documentation and consent submissions being completed by the end of January 2024. This will then allow us to tender for the required works in February/March 2024 and to award the contract in April 2024. Risk level assessed as low, as we still expect to complete the required works by the end of Summer 2024. The situation remains unchanged despite the recent heavy rain and any further deterioration of the partially collapsed weir is still assessed as being unlikely to result in a significant impact.								
Milestone		Due Date	Complete	Note					
Design documentation and consent submissions completed.		31-Jan-2024	No						
Introduce further milestones following completion of the design stage relating to the subsequent procurement process and delivery of the preferred option.		29-Feb-2024	No	Anticipate tendering for works in February/March 2024 and awarding the contract in April 2024. Works to hopefully commence in late spring/early summer 2024 when water levels are low, although this will depend on the project plan agreed with the successful contractor.					
Risks	Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
Risks: - External funding from HCC, EA and residents is not available. - Existing situation deteriorates quickly prior to any works being undertaken. - Issues with contractor resources delay design stage, procurement process or completion of works on site.		4	2	1					


Leading to: - Full allocated Capital budget being used. - Planned timeline for delivery not being achieved. - Further urgent temporary solutions being required to manage an immediate changing situation.									
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	Playground Renovation Programme	Due Date	31-Mar-2024	Progress	<div><div>33%</div></div>	Original Date	31-Mar-2024			
Project Summary	Progress playground renovation projects, as per the Greenspace Strategy. Two identified projects for 2023/24 (budget £180K).									
Latest Update	12-Jan-2024 Groundwork progressing the two projects. Currently concluding procurement processes for both and expect to award the contracts in the week commencing 15 January 2024. Now expect both projects to be completed by the end of March 2024, although this will depend on the project plans agreed with the chosen contractors and there being no supply issues with required equipment/materials. Risk level still assessed as low.									
Milestone			Due Date	Complete	Note					
Change to due date - Complete replacement of one piece of equipment and associated surfacing at Serby Avenue Recreation Ground.			31-Dec-2023	No	Now expect project to be completed by the end of March 2024.					
Complete renovation of the playground at Bancroft Recreation Ground.			31-Mar-2024	No	Timeline from the March 2023 programme - April 2023 to March 2024. On track.					
Risks		Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
Risks: - Budget insufficient to deliver project following appropriate public consultation. - Supply issues linked to materials/equipment. Leading to: - Planned playground renovations being revised/delayed.			3	1	1					



	Pursue commercial leasing opportunity for Royston Town Hall Annexe	Due Date	30-Jun-2024	Progress	<div><div>40%</div></div>	Original Date	31-May-2023
Project Summary	In this year, to progress negotiations with HCC regarding the acquisition of vehicular access rights over their land and to maintain ongoing dialogue with interested party whilst seeking to acquire access rights.						
Latest Update	25-Jan-2024 Plans are in place for the new Estates Surveyor to take a fresh look at this project. North Herts Council own the freehold interest in three separate titles in this location and the Estates Surveyor needs to review all of these in detail to understand whether access rights are in fact needed from HCC, as a preliminary look has suggested there may be a possibility of gaining access elsewhere. In the meantime, we are attempting to contact the agent that HCC are using on this matter. The plan is to complete the review and understand exactly where we stand by 14 February 2024. As part of the review, we will touch base with the previously interested party and explore other potential interest in the site. At this stage, the previously recorded milestones with a 30 June 2024 due date remain unchanged, although any future actions and timings will be subject to the outcome of the February 2024 review. Due to the uncertainty around how the project proceeds, the risk level is still assessed as medium.						


Milestone			Due Date	Complete	Note						
Commencement of negotiations with HCC regarding the acquisition of vehicular access rights over their land from the public highway.			15-Dec-2023	No	Due date to change to 14 February 2024. Review of our freehold interest at the location to understand whether access rights are in fact needed from HCC due to be completed by this date. In the meantime, attempting to contact the agent that HCC are using on this matter so that negotiations can commence quickly should access rights be required.						
Completion of negotiations with HCC regarding the acquisition of vehicular access rights over their land and arrangements formalised.			30-Jun-2024	No	Milestone and due date subject to the outcome of the February 2024 review referenced above.						
Maintain ongoing dialogue with interested party whilst seeking to acquire access rights from HCC.			30-Jun-2024	No	Milestone and due date subject to the outcome of the February 2024 review referenced above.						
Risks		Risk Level	Original Score	Current Score	Target Score	Performance Indicators		Status	Trend	Value	Target
1. Lack of engagement from HCC restricts our ability to acquire access rights. 2. Cost and time in acquiring rights or addressing restrictions are prohibitive. 3. Planning permission refused or subject to unviable conditions. 4. Desire to retain partial community use impinges on viability. 5. Build cost inflation impinges on viability.			5	5	3						


	Resident/Public EV Charging in our Car Parks	Due Date	31-Oct-2024	Progress	<div><div>50%</div></div>	Original Date	31-Mar-2023
Project Summary	Submit grant application to Office for Zero Emission Vehicles for funding. Finalise contract/leases with private sector partner and commence installation of EV charging points.						
Latest Update	29-Jan-2024 Following a delay, we have now received confirmation that the OZEV grant is being paid to us. Contract documentation has been prepared and we are awaiting the supplier's response. We now anticipate the contract being finalised by the end of February 2024. Due to the contract delay, anticipate relevant leases being completed by the end of April 2024 and works commencing in June 2024, although this is dependent on the implementation programme still to be agreed with the supplier. Although precise timeframes still to be confirmed, all units expected to be installed in the eight car parks in accordance with the OZEV grant requirements. Currently, without agreed contract, lease arrangements and implementation programme, there remains a level of uncertainty regarding delivering the project on time and to grant requirements, and so risk level still assessed as medium. To address the recently highlighted operational risk associated with EV charging points, planned locations have been shared with HCC Insurance and supplier responsibilities for ongoing inspection and maintenance are included in the contract, along with related service level KPIs.						
Milestone			Due Date	Complete	Note		
Contract finalised with private sector partner.			31-Dec-2023	No	Due date to change to February 2024. Linked to a delay in receiving confirmation of when the OZEV grant will be paid to us. The contract documents are with the private sector partner, and we are awaiting their response.		
Complete relevant leases with contractor for the length of the contract.			31-Jan-2024	No	Due date to change to April 2024. Linked to the delay referenced above. Timings still to be confirmed, as dependent on contract documentation and revised implementation programme being agreed with our partner.		
Contractor to commence works and NHC to start promoting project.			29-Feb-2024	No	Due date to change to June 2024, although precise timings dependent on the implementation programme agreed with our partner. Linked to delays completing earlier milestones. Still expect project to be delivered in accordance with OZEV grant requirements.		


Installation of all new EV charging points completed.			31-Oct-2024	No	Revised implementation programme yet to be agreed with our partner, but we have to complete installation by October 2024, in accordance with the OZEV grant requirements (awaiting confirmation of OZEV grant requirements and related dates).				
Risks	Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
1. Not successful in obtaining grant funding (no longer a risk). 2. Unable to identify/procure a private sector partner (no longer a risk). 3. Unable to agree contract conditions/relevant lease arrangements with contractor. 4. Unable to deliver project in accordance with OZEV requirements.		5	5	1					


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	Royston Leisure Centre Solar Thermal	Due Date	31-Mar-2024	Progress	<div><div>50%</div></div>	Original Date	31-Mar-2023			
Project Summary	Installation of Solar Thermal technology at Royston Leisure Centre.									
Latest Update	17-Jan-2024 As previously reported in the Q2 2023/24 Council Delivery Plan monitoring report, this project is currently on hold. Now to be included and considered as part of a wider Corporate Decarbonisation Project. As part of this wider project, we have applied for a grant via the Public Sector Decarbonisation Scheme to fund a decarbonisation review of our main buildings. We expect to hear the outcome of our application in March 2024 at the latest. In the meantime, no further action to be taken to progress the installation of Solar Thermal technology at Royston Leisure Centre until we know whether our application has been successful, and we have considered the findings of any decarbonisation review undertaken. If we are unsuccessful in obtaining grant funding, we will then have to decide whether to proceed with the originally planned project.									
Milestone		Due Date	Complete	Note						
Proposed change to due date - Decision received on our Public Sector Decarbonisation Scheme grant application.		31-Jan-2024	No	Due date to change to 31 March 2024. Now expect to receive a decision in March 2024 at the latest.						
If project proceeds, further milestones to be developed and incorporated into the Council Delivery Plan.		31-Mar-2024	No	Further action is dependent on grant application outcome and decision to proceed with project.						
Review report findings and decision on project viability.		31-Mar-2024	No	Timings uncertain, as dependent on whether a decarbonisation review of our main buildings is undertaken or an independent decision on project viability is required.						
Risks		Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
1. Solar Thermal not viable alongside installation of Solar PV. 2. Tender returns over budget. 3. Delays to procurement/project delivery.			5	5	5					




	Solar PV on Leisure Centres	Due Date	31-Mar-2024	Progress	<div><div>16%</div></div>	Original Date	31-Mar-2024
Project Summary	Appoint specialist to complete design specification, manage procurement of contractor and oversee subsequent installation of solar PV at the three main leisure facilities.						

Latest Update	15-Jan-2024 As previously reported in the Q2 2023/24 Council Delivery Plan monitoring report, this project is currently on hold. To now be included and considered as part of a wider Corporate Decarbonisation Project. As part of this wider project, we have applied for a grant via the Public Sector Decarbonisation Scheme to fund a decarbonisation review of our main buildings. We expect to hear the outcome of our application in March 2024 at the latest. In the meantime, no further action to be taken to progress the installation of Solar PV technology at the three main leisure facilities until we know whether our application has been successful, and we have considered the findings of any decarbonisation review undertaken. If we are unsuccessful in obtaining grant funding, we will then have to decide whether to proceed with the originally planned project.								
Milestone	Due Date	Complete	Note						
Proposed change to due date - 2. Decision received on our Public Sector Decarbonisation Scheme grant application.	31-Jan-2024	No	Now expect to receive a decision in March 2024 at the latest.						
3. Appoint specialist to complete design specification and manage procurement of contractor and subsequent installation. (On Hold)		No	Due date removed. Milestone to be updated following grant application outcome to reflect if decarbonisation review of our main buildings will be undertaken or an independent decision on project viability will be required.						
4. Design specification completed. (On Hold)		No	Due date removed. Milestone to be updated following grant application outcome to reflect if decarbonisation review of our main buildings will be undertaken or an independent decision on project viability will be required.						
5. Procurement of contractor to undertake installation works. (On Hold)		No	Due date removed. Milestone to be updated following grant application outcome to reflect if decarbonisation review of our main buildings will be undertaken or an independent decision on project viability will be required.						
6. Complete installation of Solar PV. (On Hold)		No	Due date removed. Milestone to be updated following grant application outcome to reflect if decarbonisation review of our main buildings will be undertaken or an independent decision on project viability will be required.						
Risks	Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
Risks: - Design specification identifies significant issues. - Tender returns over budget. - Delays to project plan.		5	5	3					



	Waste Depots	Due Date	01-May-2025	Progress	<input type="text" value="0%"/>	Original Date	01-May-2025
Project Summary	Securing fit for purpose depot solutions for the future of waste and street cleansing services.						
Latest Update	28-Feb-2024 Draft leases for the Works Road depot site for the waste and recycling contract from May 2025 have been issued to bidders. Negotiations are progressing on the assignment of the existing lease to the Council. It is anticipated that the leases will be assigned prior to contract award. The site will require upgrades to ensure it is fit for purpose and can deliver, in particular the needs of the contractor in relation to charging infrastructure for electric fleet. We continue to consider options and assess when there is an absolute need for a new waste depot, and the proposal for 2024/25 is to remove this element from the Council Delivery Plan until we have a viable plan in place.						
Milestone	Due Date	Complete	Note				
Assignment of Letchworth depot lease.	01-Jan-2024	No	Due date to change to 1 August 2024. Draft leases issued to bidders. Negotiations progressing on the assignment of the existing lease to the Council. Anticipate leases will be assigned prior to contract award.				

Review of new depot project costs.			01-Mar-2024	No	Consultant to be procured. Proposal is to remove the new waste depot element from the 2024/25 Council Delivery Plan until we have a viable plan in place.				
Procurement of EV charging infrastructure.			01-Nov-2024	No	No staff capacity currently available to progress this.				
Risks	Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
Risks: - Existing depot not fit for purpose. - Unable to secure existing depots in short/medium-term. - Funding not available for EV charging. - Fuel tank not fit for purpose/available for HVO. - Planning permission refused for Buntingford depot, shared space impacts leading to depot not being fit for purpose. - EA change permitting requirements making Buntingford not fit for purpose. - Capital works money not available. - Business case and planning permission not approved for new depot. - Staff capacity not available to deliver related projects.		9	9	5					



	Work with relevant partners to prevent and relieve homelessness whenever possible	Due Date	31-Mar-2024	Progress	<div><div>33%</div></div>	Original Date	31-Mar-2024
Project Summary	Work with relevant partners to prevent homelessness at the earliest stage and develop additional accommodation options that help to relieve homelessness whenever possible.						
Latest Update	05-Feb-2024 As part of developing the Council's new Housing Strategy, a Member in-person briefing was held on 18 December 2023 to highlight the Council's roles and responsibilities and to provide Members with an opportunity to feedback their views on our proposed priorities going forward. Consultation with residents and stakeholders via an online survey has commenced and will close on 11 February 2024. The overall risk level associated with increased levels of homelessness continues to be assessed as high and the initiatives included in this action aim to help us manage the related risks.						
Milestone			Due Date	Complete	Note		
Develop funding bid for DLUHC's Supported Housing Accommodation Programme (SHAP).			10-Nov-2023	Yes	DLUHC invited the Council to bid under its SHAP. Options developed with partners, including Herts CC, DLUHC, Homes England, Helping Herts Homeless and One YMCA.		
Develop Single Homeless Pathway Plan.			30-Nov-2023	No	Due date to change to 31 March 2024. This action identifies the key actions required to stabilise and supplement the accommodation and support services for single homeless people and will now be completed by March 2024. Currently consulting on a new Housing Strategy (which Cabinet will consider in March 2024), with resultant actions relating to the Single Homeless Pathway Plan featuring in the Year One action plan of the new Strategy.		
Develop temporary accommodation forecasting model.			30-Nov-2023	No	Due date to change to 31 March 2024. Develop temporary accommodation forecasting model to help manage demand from homeless households in conjunction with Herts CC. Action will now be completed by March 2024. Currently consulting on a new Housing Strategy (which Cabinet will consider in March 2024), with resultant actions relating to the temporary accommodation forecasting model featuring in the Year One action plan of the new Strategy.		

Develop and adopt new five-year Housing Strategy.			31-Mar-2024	No	Housing Strategy to include Homelessness and Rough Sleeping Strategy, as well as the Tenancy Strategy. Action also identified in April 2023 through Temporary Accommodation audit.				
Update Common Housing Allocation Scheme.			31-Mar-2024	No	The allocation scheme review will identify required amendments. After adoption by Cabinet, implementation of changes is likely to take a number of months.				
Risks	Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
1. An unmanageable demand from the public for housing services. 2. A lack of alternative housing options. 3. An increase in the levels of homelessness. 4. An increased use of hotel accommodation for homeless households. 5. Major difficulties for some members of the public to access the private rented sector. 6. High levels of support are required for some clients/families.		8	8	5	Number of households living in temporary accommodation			101	N/A Data Only


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	Charnwood House	Due Date	30-Apr-2024	Progress	<div><div>70%</div></div>	Original Date	30-Apr-2023		
Project Summary	Leasing the property as a Community Hub.								
Latest Update	13-Feb-2024 Formal marketing exercise closed 26 January 2024. No proposals were forthcoming, and this leaves us with no formal interest. A meeting has been held with Procurement to prepare for early discussions with Hitchin Bid/Creative/Initiative to discuss future plans. A working group will be established to agree the next steps ahead of 31 March 2024.								
Milestone		Due Date	Complete	Note					
1	Undertake formal marketing exercise.	31-Jan-2024	Yes	After extensions to the marketing period, exercise concluded on 26 January 2024. Although we anticipated that potentially two parties would present proposals, none were forthcoming, and this leaves us with no formal interest.					
2	Following marketing exercise, evaluate options.	31-Mar-2024	No	Following conclusion of marketing exercise, a meeting has been held with Procurement to prepare for early discussions with Hitchin Bid/Creative/Initiative to discuss future plans. A working group will be established to agree the next steps ahead of 31 March 2024.					
3	Present report to Cabinet on the preferred options.	30-Apr-2024	No	Timing of Cabinet report still to be confirmed.					
4	When Cabinet report presented, finalise arrangements i.e., negotiate Heads of Terms with selected tenant, seek further Cabinet decision, complete lease.	30-Apr-2024	No	Actual actions and dates still to be confirmed. Likely to commence in 2024/25. If required, new individual milestones will be introduced at the appropriate time.					
Risks	Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
1. Covenant restriction on use. 2. Statute restriction on use. 3. Viability of Listed Building consent conditions. 4. Demand for community hub. 5. Delays due to Asset of Community Value (ACV) listing.		5	5	3					



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	Churchgate	Due Date	31-May-2024	Progress	<div><div>72%</div></div>	Original Date	31-Mar-2023			
Project Summary	Actions in 2023/24 to progress the long-term regeneration of the shopping centre and surrounding areas.									
Latest Update	30-Jan-2024 As outlined at the Councillor event on 9 November 2023, we have now entered Phase 2 of the project. A mini competition exercise is currently being undertaken to procure specialists to support the masterplan process and we expect to make the appointment by mid-February 2024. Although specific activities and timings are dependent on the work programme agreed with the successful bidder, the aim is to develop visioning and masterplan options and produce an investment prospectus in time for the UKREiIF event being held between 21-23 May 2024. This event will bring together the public sector, Government, investors, funders, developers and more, and will enable us to highlight opportunities relating to the project and to potentially facilitate new relationships to drive the regeneration forward. The permanent in-person hub is on hold until further notice. We are discussing the best ways to engage with stakeholders with our consultant, including the need for and timing of pop-up hubs in the early stages of the project. We now expect the permanent in-person hub to be established later into the project when we have completed further work to develop specific options. In the meantime, ongoing communication is via the digital hub. Risk level still assessed as high, as although the project is expected to regenerate the area, we are still in the early stages and have yet to determine the best way to achieve this. Progress and areas of concern continue to be monitored via regular Project Board meetings.									
Milestone			Due Date	Complete	Note					
New milestone - Appointment of specialist support for the masterplan process.			16-Feb-2024	No						
New milestone - Investment prospectus presented at UKREiIF event.			23-May-2024	No						
Open in-person project hub. (On Hold)			31-May-2024	No	The permanent in-person hub is on hold until further notice and we are not able to propose a revised due date at this time. We are now discussing the best ways to engage with stakeholders with our consultant, including the need for and timing of pop-up hubs in the early stages of the project. We now expect the permanent in-person hub to be established later into the project when we have completed further work to develop specific options. In the meantime, ongoing communication will be via the digital hub.					
Risks		Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
1. The regeneration will not meet expectations of stakeholders. 2. Regeneration of the Centre and surrounding area is not cost effective/not affordable. Including impacts of high inflation and likely recession.			9	8	6					



	Cycling Network	Due Date	31-Mar-2024	Progress	<div><div>66%</div></div>	Original Date	31-Mar-2023
Project Summary	Working with HCC as they develop a Local Cycling & Walking Infrastructure Plan (LCWIP) and Hertfordshire Active Travel Strategy. Work in partnership with HCC to develop plans/projects for progressing cycling opportunities within North Herts.						
Latest Update	29-Jan-2024 Following HCC adoption of the LCWIP for North Hertfordshire on 18 September 2023, we still expect HCC to adopt the complementary Hertfordshire Active Travel Strategy in early 2024. Currently, waiting for HCC to confirm exact timings. Cycle parking standards and facilities incorporated into the Sustainability SPD, which is currently out for consultation. As previously reported, no longer intend to develop a separate Cycling Strategy for North Herts, with officer effort directed at seeking funding to assist with the design and delivery of schemes outlined in the LCWIP. We continue to work effectively in partnership with HCC to help identify, fund and deliver the best schemes for North Herts, although it is HCC who lead on and deliver specific projects. In view of this, following adoption of the Hertfordshire Active Travel Strategy, it is unlikely that further milestones will be taken forward in future Council Delivery Plans, as overall responsibility for delivering improvements rests with HCC.						



Milestone			Due Date	Complete	Note						
Adoption of LCWIP by HCC Highways Transport Panel/Cabinet.			31-Oct-2023	Yes	Adopted by HCC on 18 September 2023.						
HCC adopt Hertfordshire Active Travel Strategy.			29-Feb-2024	No	Expected in early 2024. Waiting for HCC to confirm exact timings.						
Further milestones dependent on adoption of LCWIP and Hertfordshire Active Travel Strategy.			31-Mar-2024	No	Further milestones relating to plans for progressing cycling opportunities within North Herts to be considered at this time, although HCC is responsible for delivering specific projects, working in partnership with NHC.						
Risks		Risk Level	Original Score	Current Score	Target Score	Performance Indicators		Status	Trend	Value	Target
1. Resourcing for NHC and HCC. 2. Timing and adoption of LCWIP by HCC Transport Panel/Cabinet (no longer a risk). 3. Limits to what can be achieved in the short-term.			3	2	1						

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	Empty Homes Strategy	Due Date	31-Mar-2024	Progress	<div><div>75%</div></div>	Original Date	01-Sep-2022			
Project Summary	Develop and start to implement a strategy to reduce numbers of empty homes.									
Latest Update	22-Jan-2024 The need for the new Empty Homes Strategy to coincide with the review of Council Tax requirements for 2024/25 means that it will now be presented to Cabinet in February 2024 rather than January. Previously reported delays are due to resourcing issues, with the Environmental Health Manager having to prioritise undertaking numerous day-to-day officer/manager tasks to cover absences/vacancies, and meeting these competing demands remains challenging. Still anticipate advertising and appointing to the new Housing Improvement Officer role by March 2024, once Strategy is adopted. Post adoption, Council Delivery Plan details to be reviewed and if required, updated to reflect key implementation stages and risks to the successful achievement of stated objectives.									
Milestone			Due Date	Complete	Note					
Present to Cabinet for adoption of the Strategy.			16-Jan-2024	Yes	Agreed by Cabinet in February 2024.					
Commence implementation of Strategy post adoption, including advertising and appointing officer to post.			17-Jan-2024	Yes	Milestone for Ideagen purposes, with the completion date of 7 February 2024 simply reflecting that implementation of the Strategy commenced following its adoption by Cabinet.					
Attempt to recruit to new Housing Improvement Officer role, created to help deliver approved Strategy.			31-Mar-2024	No	Plan to advertise to the post following adoption of the Strategy. Anticipate being ready to appoint to post by end of March 2024.					
Risks		Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
<u>Development of Strategy</u> Risks: - Staff shortages/competing priorities limit progress with developing Strategy. - Potential political/reputational risk associated with not having an agreed strategic approach in place.			4	2	1					


- Resource implications/limitations relating to the different options available. <u>Implementation of Adopted Strategy</u> Risks (dependent on the agreed approach): - Securing the resources required to deliver the Strategy and achieve objectives. - Limited number of empty homes that we can actually take forward under the Strategy. - Cost to Council of maintaining empty properties that we acquire. - Political/reputational risk associated with a perceived lack of progress and/or cost/benefit analysis of our approach.									
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	Enterprise Strategy	Due Date	30-Sep-2024	Progress	<div><div>25%</div></div>	Original Date	16-Jan-2024				
Project Summary	Development and approval of an Enterprise Strategy, incorporating Commercial, Economic Development and Tourism.										
Latest Update	30-Jan-2024 Previously reported delays were due to the Enterprise Team prioritising other areas of work. It has now been agreed that the presentation of the draft Strategy to Leadership Team and PLB, prior to going to Cabinet for adoption, will now take place after the May 2024 local elections. The initial scope was signed-off at the Executive Member briefing in December 2023, and the Local Enterprise Partnership are now assisting us with the preparation of the Economic Development and Tourism elements, while the Enterprise Team are refining the Commercial element. The plan is to have a final draft approved by the end of May 2024, but due to the likely scheduling of committee meetings and the associated reporting deadlines, the presentation of the Strategy to Cabinet for adoption is unlikely to happen until September 2024. Officers continue to provide regular updates to the Executive Member and despite the delays referenced above, the project continues to be assessed as low risk.										
Page 2 of 4	Milestone		Due Date	Complete	Note						
	Detailed Strategy scope agreed by Exec Members.		14-Dec-2023	Yes	Scope prepared and signed-off.						
	First draft prepared for comment – Leadership Team/Exec Members.		26-Feb-2024	No	Due date to change to May 2024, to reflect the timetable agreed with the LEP and the revised timetable for presenting the draft Strategy to Leadership Team and PLB, prior to Cabinet adoption.						
	Present Strategy to Leadership Team/PLB.		11-Mar-2024	No	Due date to change to May 2024. Draft Strategy to be reviewed/amended in line with feedback from Leadership Team and Executive Members. See above milestone.						
	Present Strategy to Cabinet for adoption.		19-Mar-2024	No	Due date to change to September 2024. As the draft Strategy will now be finalised after the May 2024 local elections, it is unlikely that Cabinet will have opportunity to adopt the Strategy until September 2024 due to the likely scheduling of committee meetings in 2024/25 and the associated reporting deadlines.						
Risks		Risk Level	Original Score	Current Score	Target Score	Performance Indicators		Status	Trend	Value	Target
Risks: - Delay in procuring consultants, if required. - Shortage of resource and staff capacity within the Enterprise team. Leading to: - A delay in developing/approving the Strategy and associated resourcing.			2	2	1						


	Leisure Contract Procurement		Due Date	01-Apr-2024	Progress	<div><div>84%</div></div>	Original Date	01-Apr-2024		
Project Summary	Procurement of leisure management contracts. Current contracts end on 31 March 2024. Includes development of strategies and procurement processes.									
Latest Update	17-Jan-2024 Contract awarded to Sport and Leisure Management (SLM) trading under the brand name Everyone Active. The new contract has secured a business case for further investment into facilities and will improve the management fee received despite broadening the scope of services to include a new Active Communities Programme. Mobilisation kick-off meeting held early January 2024 and contractor submitted detailed mobilisation plan. Three-month mobilisation period should provide adequate time for the required changes to be made. In view of the progress made and the arrangements in place to ensure effective mobilisation in time for the 1 April 2024 start date, the risk level is now assessed as low.									
Milestone			Due Date	Complete	Note					
Deadline for revised tender submissions (if required).			08-Nov-2023	Yes	Completed.					
Evaluation of tenders.			17-Nov-2023	Yes	Evaluation completed on the revised target date of 17 November 2023.					
Present report to Cabinet.			12-Dec-2023	Yes	New Extraordinary Cabinet meeting date. Report presented to O&S on 5 December 2023 prior to going to Cabinet.					
Notification of outcome to bidders.			20-Dec-2023	Yes	Completed.					
Finalise Contract Award.			02-Jan-2024	Yes	Completed.					
Mobilisation period - 3 January 2024 to 31 March 2024.			31-Mar-2024	No	Mobilisation period commenced on 3 January 2024.					
Start of new contract.			01-Apr-2024	No						
Risks		Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
Risks: - In-house staff capacity to deliver procurement on time. (No longer applicable.) - Limited flexibility in project plan leaves little room for manoeuvre if key milestone dates are not met. (No longer applicable.) - Poor quality specification will impact contract delivery. (No longer considered a risk in view of specification produced.) - Lack of responses to tender. (No longer applicable.) - Low value bids from respondents. (No longer applicable.) - Awarding contract to new supplier could lead to mobilisation/operational issues at handover.			5	3	3					

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	Local Authority Housing Fund	Due Date	31-Mar-2024	Progress	<div><div>85%</div></div>	Original Date	31-Mar-2024			
Project Summary	Delivery of additional housing through Registered Providers.									
Latest Update	05-Feb-2024 Proposal for settle to deliver one larger home (bridging element) and two smaller homes (main element) via the first round of LAHF was accepted by the DLUHC and occupation of all three units has been delivered. Following Cabinet in June 2023, we submitted our validation form for round two of the scheme - two providers were interested, delivering a further eight units. However, Home Group subsequently pulled out at a very late stage and settle were understandably unable to pick up the extra units, so the overall delivery, now via settle only, is four units (three x resettlement and one x temporary accommodation). Risk level assessed low for both likelihood and impact, as there are only a small number of units to be delivered, round one delivery has been completed, and round two funding is going ahead.									
Milestone		Due Date	Complete	Note						
Agree Memorandum of Understanding with settle relating to Round One allocated funding.		15-Nov-2023	Yes	Completed.						
Agree Memorandum of Understanding with Registered Provider(s) to deliver housing via Round Two allocated funding.		30-Nov-2023	Yes	MOU for Round Two signed with settle. DLUHC sent revised MOU for Round Two reflecting only four units will now be delivered in total.						
Delivery of housing by settle via Round One allocated funding.		31-Dec-2023	Yes							
Delivery of housing by Registered Provider(s) via Round Two allocated funding.		31-Mar-2024	No							
Risks		Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
Risks: - Reputational risk of not being able to use funding made available by Government, as it is not enough to make delivery viable. - Terms of the funding are not flexible enough to allow the partial delivery against our allocation. - Uncertainty relating to grant conditions leads to an inability to recover all expected costs. - Low risk associated with signing expression of interest or subsequent Memorandum of Understanding, as the grant allows withdrawal at any time.			8	1	1	Local Authority Housing Fund - Number of main element (smaller) homes delivered via Round One allocation		New for 2023/24	2	2
						Local Authority Housing Fund - Number of bridging element (larger) homes delivered via Round One allocation		New for 2023/24	1	1


	Local Plan Delivery and Review	Due Date	30-Sep-2024	Progress	<div><div>33%</div></div>	Original Date	31-Mar-2024
Project Summary	To undertake and complete various projects relating to the implementation of the Local Plan 2011-2031 (adopted November 2022) and to progress work associated with the early review required by Policy IMR2 of the Plan.						


Latest Update	30-Jan-2024 Cabinet resolved in January 2024 that the Local Plan should be subject to a full review. This followed a comprehensive officer review of the Plan's policies and wider factors. Further guidance and regulations are awaited following enactment of the Levelling Up & Regeneration Act. These will provide further detail on the steps the review will need to follow and may stipulate a timeframe within which North Hertfordshire should commence or progress this. The Sustainability Supplementary Planning Document (SPD) is currently out for public consultation. The commencement date for statutory Biodiversity Net Gain on major sites has been confirmed as 12 February 2024. A range of accompanying guidance has been published.								
Milestone	Due Date	Complete	Note						
Approval of draft Sustainability SPD for consultation.	31-Dec-2023	Yes	Approved by Cabinet December 2023.						
Publication of initial recommendations in relation to the review of the Local Plan as required by Policy IMR2.	31-Dec-2023	Yes	Draft recommendations were published in December 2023 before being considered by the Overview & Scrutiny Committee and then Cabinet in January 2024.						
Adoption of Sustainability SPD.	31-Mar-2024	No	Consultation on draft SPD runs from 4 January to 16 February 2024. Consultation responses will then be reviewed to determine if Cabinet timetables for March are achievable.						
Approval of draft Biodiversity SPD for consultation.	31-Mar-2024	No	The Government has delayed the introduction of mandatory Biodiversity requirements until 12 February 2024. Detailed guidance has recently been published. This, and the proposed timelines for production of a Local Nature Recovery Strategy by Herts County Council, will be reviewed to inform the scope of any Biodiversity SPD which this Council might produce.						
Adoption of Biodiversity SPD.	30-Sep-2024	No	As below.						
Approval of draft Design Guide SPD for consultation.	30-Sep-2024	No	Strategic Planning Matters report to Cabinet (November 2023) identified this is likely to occur in Summer 2024. Revision agreed in consultation with the Executive Member and Deputy.						
Risks	Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
<p>Risks:</p> <ul style="list-style-type: none"> - Inadequate guidance leads to scheme outcomes that do not appropriately respond to, or contribute towards, corporate objectives and priorities of climate change, environment, economy and place. - Poor scheme outcomes that do not appropriately respond to local character and context. - Failure to retain/recruit sufficiently experienced officers to implement required programme of work. - Failure to secure funding to resource the process. - Adverse appeal findings on other/non-Local Plan sites if progress on the Local Plan Review is delayed or stalled. - Government intervention if inadequate progress is made upon Local Plan Review. 		5	5	3					

	Museum Storage	Due Date	31-Mar-2024	Progress	<div><div>57%</div></div>	Original Date	31-Mar-2024
Project Summary	Assess feasibility of constructing a new fit-for-purpose museum storage facility and including a commercial storage facility as part of the project. Decide the preferred way forward and if required, proceed to the next project phase.						



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Latest Update	22-Jan-2024 Position remains the same as previously reported. Executive members considered potential options for the project, but identifying the right way forward now needs to be considered as part of wider discussions around ongoing and future budgetary pressures. In the meantime, officers looking at alternative options and timelines. September 2023 Cabinet report deferred, and a revised date has not yet been confirmed. We continue to manage the risks associated with the current storage facilities to the best of our ability within available resources.										
Milestone				Due Date	Complete	Note					
Consider the best way to deal with currently stored items should the project progress.				31-Mar-2024	No	Aligns with Cabinet report milestone date. September 2023 Cabinet report deferred. Timing of report not yet confirmed and so we are unable to propose a revised due date (31 March 2024 due date is for administrative purposes only). Existing site not cleared and the need to do this will depend on the Cabinet decision. This will need to have been considered by then to avoid unnecessary delays should we proceed with the preferred option.					
Develop further milestones to reflect Cabinet decision e.g., appoint Project Manager/Quantity Surveyor, finalise Business Case and detailed specifications.				31-Mar-2024	No	This will follow the Cabinet decision. As the September 2023 Cabinet report was deferred and the timing of report not yet confirmed, we are unable to propose a revised due date (31 March 2024 due date is for administrative purposes only).					
Report presented to Leadership Team, PLB and Cabinet seeking a decision on the preferred way forward. (On Hold)				31-Mar-2024	No	September 2023 Cabinet report deferred. Timing of report not yet confirmed and so we are unable to propose a revised due date (31 March 2024 due date is for administrative purposes only).					
Risks			Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
Funding the project and ongoing/future budgetary pressures. Unforeseen issues with the development. Lower utilisation of the commercial storage opportunity than expected. Until the project is completed, risk of damage to items stored at current facility (mainly reputational, but potentially financial).				5	5	3					



	Shared Prosperity Fund	Due Date	30-Apr-2024	Progress	<div><div>66%</div></div>	Original Date	31-Mar-2023
Project Summary	Deliver projects to support the aims of the Shared Prosperity Fund, as agreed with Government.						
Latest Update	02-Feb-2024 Update on the progress of Town Centre Programmes and related SPF funding provided via the Town Centre Recovery update. In line with the programme agreed with the contractor, installation of outdoor fitness equipment in Hitchin and Letchworth is now expected to be completed in mid-April 2024, slightly later than the previously reported timescale of March 2024.						
Milestone		Due Date	Complete	Note			
Approve BIDs (and other town centre stakeholder groups) programmes for use of town centre improvement funding.		31-Mar-2024	No				
Installation of outdoor fitness equipment in Hitchin.		31-Mar-2024	No	Due date to change to 30 April 2024. Groundworks (who are leading the project) have procured a contractor and the 10-day standstill period ends on 20 January 2024. After this date, the works will start progressing and the project is expected to be completed by mid-April 2024.			

Installation of outdoor fitness equipment in Letchworth.			31-Mar-2024	No	Due date to change to 30 April 2024. Groundworks (who are leading the project) have procured a contractor and the 10-day standstill period ends on 20 January 2024. After this date, the works will start progressing and the project is expected to be completed by mid-April 2024.				
Provide 2023/24 allocation of funding for town centre improvements.			31-Mar-2024	No					
Risks	Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
1. Lack of general resources to deliver these projects as they are on top of core Council activities. 2. Failure to spend the money by the end of the grant period. 3. Lack of expertise in providing the required returns to Government on use of the grant. 4. Long lead times for capital elements means that items are unavailable until beyond the end of the funding period.		5	5	3					


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	Town Centre Recovery	Due Date	31-Mar-2024	Progress	<div><div>83%</div></div>	Original Date	31-Mar-2023			
Project Summary	Experimental Traffic Regulation Orders in Hitchin and Royston town centres to be made permanent. Facilitate work with key stakeholders to develop and implement formal recovery/improvement programmes for each town utilising available Shared Prosperity Fund funding.									
Latest Update	31-Jan-2024 The Shared Prosperity Fund (SPF) is open until March 2025. All towns, except Baldock, have developed projects and been funded in Year 1 (2022/23) and Year 2 (2023/24). They are now developing items for 2024/25. Baldock have no fundable entity yet to whom to give grants. Following the Save the High Streets and the HCC Growth Board Traders Association project, meetings have been held and they organised a Christmas Shop Window Competition. Some core members are looking to form a legal entity with whom we can work in the future. The group has some short term and medium term ideas, which may require some SPF funding when they are formally established. 2023/24 town centre improvement funding is now allocated, and Leadership Team and Members are currently reviewing SPF plans for 2024/25 including the town centre allocation. We will be assessing the impact of recovery work undertaken by each town towards the end of the project via footfall metrics and local surveys. NHC is assisting Letchworth, Baldock and Royston to develop Town Centre Programmes. These are owned by the town stakeholders and benefit them by organising their ideas into a coherent programme. NHC input is via support and consultation. Hitchin did not require help and we understand they already have a programme/plan in place via the Hitchin Initiative/BID. The Town Centre Programme development has started in Letchworth, where People and Places (using SPF funding) have been helping develop the BID relaunch programme to coincide with other Heritage Foundation initiatives. We expect the Letchworth programme to be in place by March 2024. By this time, People and Places will have moved on to the Baldock and Royston programmes, and these should be completed by October 2024.									
Milestone			Due Date	Complete	Note					
Detailed town centre programmes produced by each of the four towns.			31-Mar-2024	No	NHC is assisting Letchworth, Baldock and Royston to develop Town Centre Programmes via People and Places. Expect the Letchworth programme to be in place by March 2024, and the Baldock and Royston programmes by October 2024. Understand Hitchin already have a programme in place via the Hitchin Initiative/BID.					
Risks		Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
- Limited budget available via the Shared Prosperity Fund. - Town Centre Programmes for each town not yet in place. - Reputational damage if improvements/initiatives are not progressed or delayed.			3	2	1					

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	Town Centre Strategies			Due Date	30-Sep-2024	Progress	<div><div>40%</div></div>	Original Date	31-Jan-2023		
Project Summary	Progress development of overarching Town Centre Strategy and individual Town Centre Strategic Masterplans.										
Latest Update	29-Jan-2024 Additional technical expertise secured in December 2023 to help prepare evidence base for the overarching Town Centre Strategy. The work programme agreed with consultants now means that recorded milestone dates need to be amended. Completion of the evidence base and preparation of the draft Strategy is now expected by the end of June 2024. A scoping report to Cabinet providing an overview of the draft Strategy and project/governance arrangements for individual Town Centre Strategic Masterplans will be presented in September 2024 (2024/25 committee dates still to be confirmed), prior to going out to formal consultation on proposals. Risk level still assessed as medium, as without approved Strategy/Strategic Masterplans, speculative development could undermine the function of our town centres.										
Milestone				Due Date	Complete	Note					
Appoint consultant to prepare evidence base for overarching Town Centre Strategy.				31-Oct-2023	Yes	Project Officer and temporary consultant now in place.					
Undertake work to complete evidence base and prepare draft Strategy.				31-Mar-2024	No	Due date to change to June 2024. Linked to delay in procuring additional technical expertise. Revised date aligns with the work programme agreed with consultants.					
Present details of draft Strategy to Cabinet, along with a scoping report to agree overall project and governance arrangements for progressing individual Town Centre strategic masterplans.				30-Jun-2024	No	Due date to change to September 2024. Linked to the fact that completion of the evidence base and preparation of the draft Strategy will now not be completed until June 2024. Also linked to the likely scheduling of committee meetings over the summer months.					
Progress work on Letchworth Town Centre strategic masterplan, confirming/commencing detailed work following presentation of the Cabinet report.				30-Jun-2024	No	Due date to change to September 2024. Aligns with Cabinet report milestone above.					
Risks			Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
1. Lack of available resource to produce and deliver identified strategies. 2. Lack of strategic direction leads to speculative development that undermines function of town centres.				5	5	1					

	Waste and Street Cleansing Contract Procurement	Due Date	01-Aug-2024	Progress	<div><div>28%</div></div>	Original Date	01-Apr-2024
Project Summary	Procurement of the Waste and Street Cleansing contract.						
Latest Update	28-Feb-2024 Cabinet and East Hert's Executive approved changes to the contract service design in December 2023, in light of affordability concerns. Final tenders are due to be issued to bidders at the end of February 2024. Contract award is expected to be in July 2024.						
Milestone		Due Date	Complete	Note			
Invitation to submit detailed solutions, evaluation of submissions, and issue of letters to successful bidders.		05-Oct-2023	Yes				
Invitation to submit final tenders and receipt of ISFT responses.		01-Mar-2024	No	Final tenders to be issued at the end of February 2024. Deadline for responses still to be confirmed.			



Evaluation of final tenders and production of Evaluation Report.			01-May-2024	No					
Project Board sign off of Evaluation Report and award recommendation.			01-Jul-2024	No					
Executive and Cabinet approval.			19-Jul-2024	No					
Contract award.			01-Aug-2024	No					
Risks	Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
Risks: - Unable to secure interested bidders (although this risk is unlikely to materialise). - Capacity of key staff. - Depots not fit for purpose/available. - Governments Resources & Waste Strategy differs from specification (outcomes of new Strategy currently in consultation). - Costs are over budget. - Delays to mobilisation lead to insufficient preparation and planning time, leading to mobilisation challenges and inability to secure new fleet for Day 1.		9	9	6					

New Project Introduced for the Q3 Monitoring Report

















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	Digital Transformation	Due Date	31-Dec-2024	Progress	<div>0%</div>	Original Date	31-Dec-2024			
Project Summary	To invest in and develop a low code digital platform that can be used to transform our services and applications. The programme will span a number of years, but this Council Delivery Plan project only focuses on key activities during the next 12 months.									
Latest Update	23-Jan-2024 Current progress relates to the CRM build, which was mostly completed in December 2023, with a few minor tasks carried into January 2024. Testing of the system and training will be undertaken during January and February 2024. A full project plan supports this element of the wider Digital Transformation programme. The draft Digital Strategy has been developed and will go to Cabinet in February 2024. Risk level currently assessed as medium, with uncertainty around available staff resources, unexpected limitations within the new digital platform being identified as the programme progresses, and unexpected delays/limitations associated with the new waste contract.									
Milestone			Due Date	Complete	Note					
Development of a new Customer Relationship Management System (CRM) and customer portal.			04-Mar-2024	No	CRM build was mostly completed in December 2023, with a few minor tasks carried into January 2024. January and February 2024 to be used for final user testing and training.					
Develop a Digital Strategy.			31-Mar-2024	No	Draft Strategy developed. On Forward Plan for Cabinet on 6 February 2024.					
Scope and investigate replacement of Burials system.			30-Jun-2024	No	Replace in-house access database. If this can be built using new digital platform, then will avoid a new cost.					
Kitchen Town Hall booking system developed.			30-Sep-2024	No	Replace existing system.					
Integrate Netcall into Microsoft Azure for wider integration capabilities.			30-Sep-2024	No	Needed for wider integration.					
Develop waste services processes and integrate with new contractors' software.			01-Oct-2024	No	Full scoping to start in early 2024.					
Risks		Risk Level	Original Score	Current Score	Target Score	Performance Indicators	Status	Trend	Value	Target
1. Resources within key teams available to deliver. 2. Unexpected limitations within new digital platform. 3. Unexpected delays or limitations relating to the new waste contract/contractor.			6	6	1					

Risks and PIs Not Linked to Specific Projects

Risks	Risk Level	Original Score	Current Score	Target Score
Resourcing Vital additional actions require resources (e.g., staff and financial) to be redirected to enable them to be provided, which affects the delivery of other projects within the Council Delivery Plan. The shortage of staff and other resources may affect our ability to respond, even if money is available. Significant difficulties in being able to recruit and retain roles in some key areas.		8	9	2
Cyber Risks Risk: Prolonged widespread disruption to/failure of IT infrastructure/systems. Possible causes: - Deliberate and unauthorised breaches of security e.g., ransomware, denial of service. - Unintentional/accidental breaches of security e.g., action of individual staff/Members. - Weakness/failure of essential IT infrastructure e.g., loss of internet access. - Evolving risk appetite/profile associated with IT systems, as we pursue increased use of hosted systems and associated risks to individual systems are transferred to suppliers. Leading to: - Inability to deliver services/projects. - Unbudgeted costs to enable recovery. - Reputational damage.		8	8	8

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Performance Indicators	Status	Trend	Value	Target
Percentage of NNDR collected in year			90.10%	86.5%
Percentage of council tax collected in year			91.89%	91.5%
Museum general admittance visitor numbers			22,826	20,750
Miles driven by NHC full electric vehicles			77,408	41,250
Hitchin Town Hall income		New for 2023/24	£221,866	N/A Data Only
Value of sales at Bancroft Cafe Kiosk		New for 2023/24	£21,603	N/A Data Only
Percentage of raised sales invoices due for payment that have been paid			95.57%	97%
Percentage of payments received that were paid by electronic methods			99.38%	99.3%
Kg residual waste per household			245kg	264kg

Percentage of household waste sent for reuse, recycling and composting			58.81%	57.5%
Electricity and gas energy consumption (kWh) - 100% of reported energy consumption is from green energy sources			1,432,709	1,645,668

Scoring criteria and weightings

Impact of non-delivery (excluding political and financial impacts which are assessed separately)	Score
All alternatives lead to more work/ failure to deliver a statutory service in the short/ medium-term	20
Non-delivery (at the current time) will have significant impact (e.g. service delivery, reputational) in the medium-term (3-5 years)	15
Non-delivery (at the current time) will have some impact in the medium-term (3-5 years)	10
Delivery will have longer-term impacts, but project could be delayed and still avoid any negative impacts	5
Nice to have project, apart from not achieving project outcomes doesn't cause any other impacts	0
Council plan alignment (Priorities and Themes) - due to financial measure below, sustainability should be focused on environmental sustainability	
Strong alignment to delivery of multiple Council Priorities/ Themes	10
Strong alignment to delivery of at least 1 Council Priority/ Theme	8
Moderate alignment to 1 or more Council Priority/ Theme	6
Some alignment to 1 or more Council Priority/ Theme	4
Unclear how aligns to Council Priorities/ Themes	0
External/ political benefits	
High political/ resident support across multiple areas/ wards (non-neighbouring)	10
High political/ resident support across multiple neighbouring areas/ wards	8
Moderate political/ resident support across multiple areas/ wards	6
High political/ resident support in one or two areas/ wards	4
Low political/ resident support	2
Financial Sustainability (all analysis should include capital costs)	
Delivery of the project is likely to deliver significant savings (cost reductions/ income generation)	20
Delivery of the project is likely to deliver savings (cost reductions/ income generation)	15
Possible that the project will deliver savings	10
No impact on savings	2
Negative financial impact (increases ongoing costs)	0
Financial Resources for delivery	
Fully funded from specific grant which is certain/highly certain / funded from existing revenue budgets	5
High proportion funded from a specific grant which is highly certain/ Fully funded from specific funding which is likely to be received	4
Fully funded from existing capital budget / Good likelihood of being majority funded from an external source	3
Requires 3rd party funding which is uncertain / subject to competitive bid process	2
Funding is highly uncertain	1
Productivity benefits	
Delivery of the project is likely to significantly increase productivity	5
Delivery of the project is likely to increase productivity	4
Possible that the project will deliver increased productivity	3
No impact on savings or productivity	1
Negative impact on ongoing productivity	0
Resource to deliver	Score
In place and not directly affected by other projects, manageable alongside BAU work	10
In place with some impact from other projects BAU	8
Possible to get resource required, and funding to do so (e.g. direct grant, specific reserve)	6
Resource available if can fill posts, but posts are hard to fill	4
No resource available, or any resource is already delivering BAU/ other projects with no remaining capacity	0
Delivery capacity risk	Score
Unlikely to be other work impacting key delivery resource or sufficient cover/ resilience	5
Low chance of other work impacting key delivery resource and limited cover/ resilience	4
Moderate likelihood of other work impacting key delivery resource and limited resilience	3
Likely to be other work that impacts delivery and limited resilience	2
High likelihood of other work that impacts key delivery resource, with no/ minimal resilience	1
Support Services delivery	
No significant impact on support services, and been confirmed with support services managers	5
Some impact on support services. Whilst it is contained within work plans for support services, it will need to be prioritised against other demands	4
Impact on key support services is being managed through buying in the required support, and budget is in place to enable this	3
Significant impact on support services. Whilst it is contained within work plans for support services, it will need to be prioritised against other demands	2
Key support services do not have the capacity to deliver and no resources to get external support	1

Outputs and thresholds (examples)

Benchmark	Assesment of whether we should be doing it?			
40 or more (out of 90)	Score	62	17	40
2 or fewer	Number of red	0	6	1
Concern if 5 or more	Number of amber	4	3	6
	Should it be on the Council Delivery Plan?			
	Number of greens against first 4 criteria	2	0	0
2 or more				1

Benchmark	Assesment of whether we should be doing it?	
40 or more (out of 90)	Score	62
2 or fewer	Number of red	0
Concern if 5 or more	Number of amber	4
	Should it be on the Council Delivery Plan?	
	Number of greens against first 4 criteria	2
2 or more		

CABINET
19 March 2024

***PART 1 – PUBLIC DOCUMENT**

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

REPORT OF: SERVICE DIRECTOR - RESOURCES

EXECUTIVE MEMBER: FINANCE AND I.T.

COUNCIL PRIORITY: SUSTAINABILITY

1 EXECUTIVE SUMMARY

- 1.1 To update Cabinet on progress with delivering the capital and treasury strategy for 2023/24, as at the end of December 2023.
- 1.2 To update Cabinet on the impact upon the approved capital programme for 2023/24 – 2033/34. The current estimate is a decrease in spend in 2023/24 of £0.969M and an increase in spend in 2024/25 of £0.960M. The most significant individual changes to the forecast spend in 2023/24 relate to the reprofiling into 2024/25 of £0.320M Oughtonhead Common Weir and £0.249M Renovate Skate Park King George V.
- 1.3 To inform Cabinet of the Treasury Management activities in the first nine months of 2023/24. The current forecast is that the amount of investment interest expected to be generated during the year is £2.940M. This is a decrease of £0.074M on the estimate reported in the 2nd quarter report.

2 RECOMMENDATIONS

- 2.1 That Cabinet notes the forecast expenditure of £6.521M in 2023/24 on the capital programme, paragraph 8.3 refers.
- 2.2 That Cabinet approves 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 estimated spend in 2024/25 by £0.960M.
- 2.3 That Cabinet notes the position of the availability of capital resources, as detailed in table 4 paragraph 8.6 and the requirement to keep the capital programme under review for affordability.
- 2.4 Cabinet is asked to note the position of Treasury Management activity as at the end of December 2023.

3. REASONS FOR RECOMMENDATIONS

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

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Options for capital investment are considered as part of the Corporate Business Planning process.
- 4.2 The primary principles governing the Council's investment criteria are the security of its investments (ensuring that it gets the capital invested back) and liquidity of investments (being able to get the funds back when needed). After this the return (or yield) is then considered, which provides an income source for the Council. In relation to this the Council could take a different view on its appetite for risk, which would be reflected in the Investment Strategy. In general, greater returns can be achieved by taking on greater risk. Once the Strategy has been set for the year, there is limited scope for alternative options as Officers will seek the best return that is in accordance with the Investment Strategy.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 Consultation on the capital expenditure report is not required. Members will be aware that consultation is incorporated into project plans of individual capital schemes as they are progressed.
- 5.2 There are regular updates and meetings with Treasury advisors (Link).

6. FORWARD PLAN

- 6.1 This report contains a recommendation on a key Executive decision that was first notified to the public in the Forward Plan on the 15th December 2023.

7. BACKGROUND

- 7.1 In February 2023, Council approved the Integrated Capital and Treasury Strategy for 2023/24 to 2032/33. To be consistent with the strategy, the monitoring reports for Capital and Treasury are also integrated.
- 7.2 The Medium Term Financial Strategy for 2023 to 2028 confirmed that the Council will seek opportunities to utilise capital funding (including set aside receipts) for 'invest to save' schemes and proposals that generate higher rates of return than standard treasury investments. This is one way the Council will allocate resources to support organisational transformation that will reduce revenue expenditure.

- 7.3 Link Asset Services Ltd are contracted to provide Treasury advice. The service includes:
- Regular updates on economic and political changes which may impact on the Council's borrowing and investment strategies
 - Information on investment counterparty creditworthiness
 - Technical updates
 - Access to a Technical Advisory Group.

8. RELEVANT CONSIDERATIONS

- 8.1 The Council has £125.0M of capital assets that it currently owns. The Investment Strategy set out the reasons for owning assets that are not for service delivery, including an assessment of Security, Liquidity, Yield and Fair Value. There have been no significant changes in relation to these since the Strategy was set. The main changes will be sales of surplus land for capital receipts as referenced in table 4.

Capital Programme 2023/24

- 8.2 The full capital programme is detailed in Appendix A and shows the revised costs to date, together with the expected spend from 2023/24 to 2033/34 and the funding source for each capital scheme.
- 8.3 Capital expenditure for 2023/24 is estimated to be **£6.521M**. This is a decrease of **£0.969M** on the forecast in the Investment Strategy 2024/25 report (reported to Council 29th February 2024). The decrease in spend in 2023/24 is largely due to the reprofiling of projects into 2024/25. Table 1 below details changes to capital programme.

Table 1- Current Capital Estimates

	2023/24 £M	2024/25 £M	2025/26 to 2033/34 £M
Original Estimates approved by Full Council February 2023	8.516	7.427	15.624
Changes approved by Cabinet in 3rd Qrt 2022/23	1.554	0	0
Changes approved by Cabinet in 2022/23 Capital Outturn report	1.221	0	0
Revised Capital estimates at start of 2022/23	11.291	7.427	15.624
Changes at Q1	-0.853	0.686	0.585
New Financial System - Council Approved 28/09/23	0.200	0	0
Changes at Q2	-2.413	1.789	2.109
Executive Member – Finance and I.T. approved additional Expenditure EV Charging Point at the DCO	0.023	0	0
Executive Member – Finance and I.T. approved additional Expenditure NHLC Gym Platform Lift Replacement	0.030	0	0

	2023/24 £M	2024/25 £M	2025/26 to 2033/34 £M
Changes approved by Full Council 29/02/2024 - Investment Strategy 2024-34	-0.788	12.731	8.832
Changes recommended at Q3	-0.969	0.960	0
Current Capital Estimates	6.521	23.593	27.150

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

Table 2: Scheme Timetable Revision:

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

Scheme	2023/24 Working Budget £'000	2023/24 Forecast £'000	Difference £'000	Reason for Difference	Estimated impact on 2024/25 £'000
Oughtonhead Common Weir	400	80	-320	The development of the detailed specification is nearing completion. The procurement process will entail a period of 3 – 4 months before delivery of the works can commence.	320
Renovate Skate Park King George V	250	1	-249	The contracts have now been tendered and as part of the evaluation process the users are being consulted. Once the evaluation process is complete the design process will continue. This extended consultation process has increased the timescales anticipated to deliver the projects.	249
Newmarket Road Skatepark & Access	76	0	-76		76
Home Repair Assistance	148	30	-118	Due to ongoing staffing issues we have been unable to promote the Home Repair Assistance Grant scheme. It is intended to again raise the profile of this grant scheme during 2024/25 and signpost more people towards this assistance.	118

Scheme	2023/24 Working Budget £'000	2023/24 Forecast £'000	Difference £'000	Reason for Difference	Estimated impact on 2024/25 £'000
Timber Access Bridge Norton Common	75	0	-75	Due to wet on-site ground conditions and the delicate nature of the habitat at Norton Common the works have been delayed until ground conditions improve. Initial works to clear the area around the bridge have been completed, so the bird nesting season should not be a factor in the progress of the works.	75
Riverside walkway Biggin Lane	53	0	-53	Agreements are not yet in place with regard to the adoption of the individual pieces of land to connect either end of the footpath, which are necessary for the project to proceed. Work is ongoing to progress the legal issues and obtain the permissions required to deliver the project.	53
Norton Common Tennis Courts	25	0	-25	Procurement processes have only identified 2 quotations and work is ongoing to identify a third. It is preferable in any case for works to be undertaken in a period of warm dry weather to ensure acceptable results.	25
Former Public Conveniences Portmill Lane - works to make available for letting	25	0	-25	Due to limited officer resource within Estates, this project has had to be placed on hold for this financial year.	25
Other minor changes			-50		50
Total Revision to Budget Profile			-991		991

8.5 There are also changes to the overall costs of schemes in 2023/24. These changes total a net increase of £0.022million and are detailed in Table 3

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

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

Scheme	2023/24 Working Budget £'000	2023/24 Forecast Spend £'000	Difference £'000	Comments
Howard Park Kiosk	0	30	30	This scheme relates to bringing Howard Park kiosk in house and generating a revenue return for the Council from doing so. Initial investment is required as the kiosk is very much in need of refurbishment. The investment was originally identified in the Capital Programme for 24/25 but it was agreed by Council that it would be brought forward to 23/24 to ensure the Kiosk is ready to welcome visitors this summer.
Other minor changes			-8	
Total revision to scheme spend			+22	

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

Table 4: Funding the Capital Programme:

	2023/24 Balance at start of year £M	2023/24 Forecast Additions £M	2023/24 Forecast Funding Used £M	2023/24 Balance at end of year £M
Useable Capital Receipts and Set-aside Receipts	5.477	0.694	(3.123)	3.048
S106 receipts			(0.440)	
Other third party grants and contributions			(2.958)	
Total			(6.521)	

8.7 The availability of third-party contributions and grants to fund capital investment is continuously sought in order to reduce pressure on the Council's available capital receipts and allow for further investment. Additional capital receipts are dependent on selling surplus land and buildings. Ensuring that the Council gets best value from the disposal of land and buildings can take a long time and therefore the amounts that might be received could be subject to change.

8.8 The Council's Capital Financing Requirement (CFR) at 31st March 2023 was negative £2.72M. Based on current forecasts it will remain negative during 2023/24.

Treasury Management 2023/24

8.9 The Council invests its surplus cash in accordance with the Investment Strategy (see paragraph 4.2). This surplus cash is made up of capital funding balances, revenue general fund balance, revenue reserve and provision balances and variations in cash due to the timing of receipts and payments. During the first nine months of 2023/24, the Council had an average investment balance of £56.8M and invested this in accordance with the treasury and prudential indicators as set out in the Integrated Capital and

Treasury Management Strategy and in compliance with the Treasury Management Practices.

8.10 The Council generated £2.123M of interest during the first nine months of 2023/24. The average interest rate on all outstanding investments at the 31st December was 5.43%. (30th June it was 4.47%, 30th September it was 5.03%). Based on current investments and forecasts of interest rates and cash balances for the remainder of the year, it is forecast that the Council will generate £2.94M of interest over the whole of 2023/24. This is a reduction of £0.074M on the estimate quoted at the 2nd quarter due to lower cash balances available for investment during the quarter compared with those estimated in the previous forecast.

8.11 As at 31st December 2023, the split of investments was as shown in the table below.

Banks	16%
Building Societies	13%
Government	7%
Local Authorities	64%

8.12 The level of risk of any investment will be affected by the riskiness of the institution where it is invested and the period that it is invested for. Where an institution has a credit rating this can be used to measure its riskiness. This can be combined with the period remaining on the investment to give a historic risk of default percentage measure. The table below shows the Historic Risk of Default for outstanding investments at 31st December 2023. The most risky investment has a historic risk of default of 0.022%. It should also be noted that in general the interest rate received is correlated to the risk, so the interest income received would be less if the Council took on less risk.

Borrower	Principal Invested £M	Interest Rate %	Credit Rating	Days to Maturity at 30 Sept	Historic Risk of Default %
Dudley Metropolitan Borough Council	1.0	5.7	AA-	5	0.000
DMO	2.0	5.19	AA-	17	0.001
Leeds Building Society	3.0	5.48	A-	18	0.002
Lloyds	1.0	5.39	A+	18	0.002
DMO	2.0	5.235	AA-	18	0.001
Uttlesford District Council	2.0	5.2	AA-	19	0.001
Central Beds Council	2.0	5.4	AA-	22	0.001
Barnsley Metropolitan Borough Council	3.0	5.45	AA-	30	0.002
Nat West	2.0	5.76	A+	47	0.006
Nationwide Building Society	3.0	5.43	A	50	0.006
Lloyds	1.0	4.84	A+	53	0.007
Lloyds	1.0	5.57	A+	57	0.007
LB of Barking & Dagenham	2.0	5.45	AA-	60	0.004
Australia & New Zealand Bank	2.0	5.02	A+	78	0.010
Leeds Building Society	2.0	5.39	A-	78	0.010
Lancashire County Council	2.0	5.45	AA-	78	0.005

Borrower	Principal Invested £M	Interest Rate %	Credit Rating	Days to Maturity at 30 Sept	Historic Risk of Default %
Australia & New Zealand Bank	2.0	4.4	A+	80	0.010
Blackpool Council	1.0	5.5	AA-	81	0.005
Lloyds	1.0	5.84	A+	87	0.011
Telford & Wrekin Council	2.0	5.7	AA-	106	0.007
Cheshire East Council	2.0	5.5	AA-	113	0.007
Central Beds Council	2.0	5.45	AA-	114	0.007
Central Beds Council	2.0	5.5	AA-	134	0.008
North Lanarkshire Council	2.0	5.55	AA-	145	0.009
Aberdeen City Council	2.0	5.55	AA-	151	0.009
Leeds City Council	5.0	5.5	AA-	155	0.010
Cheshire East Council	2.0	5.5	AA-	155	0.010
Canterbury Council	2.0	5.65	AA-	169	0.010
North Lanarkshire Council	2.0	5.8	AA-	261	0.016
Great Yarmouth Borough Council	1.0	5.6	AA-	318	0.020
West Dunbartonshire Council	2.0	5.7	AA-	351	0.022
	61.0	5.43			0.007

DMO credit rating is the UK credit rating.

9. LEGAL IMPLICATIONS

- 9.1 Cabinet's terms of reference under 5.7.7 specifically includes "to monitor expenditure on the capital programme and agree adjustments within the overall budgetary framework". The Cabinet also has a responsibility to keep under review the budget of the Council and any other matter having substantial implications for the financial resources of the Council. By considering monitoring reports throughout the financial year Cabinet is able to make informed recommendations on the budget to Council. The Council is under a duty to maintain a balanced budget.
- 9.2 Section 151 of the Local Government Act 1972 states that:
"every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs."
- 9.3 Asset disposals must be handled in accordance with the Council's Contract Procurement Rules.
- 9.4 The Prudential Indicators comply with the Local Government Act 2003.

10. FINANCIAL IMPLICATIONS

- 10.1 The main financial implications are covered in section 8 of the report.

- 10.2 The Council operates a tolerance limit on capital projects that depends on the value of the scheme and on this basis over the next ten-year programme it should be anticipated that the total spend over the period could be around £5.4M higher than the budgeted £57.3M.
- 10.3 The capital programme will need to remain under close review due to the limited availability of capital resources and the affordability in the general fund of the cost of using the Council's capital receipts. When capital receipts are used and not replaced the availability of cash for investment reduces. Consequently interest income from investments reduces. £1.0M currently earns the Authority approximately £54k per year in interest. The general fund estimates are routinely updated to reflect changes in income from investments. When the Capital Financing Requirement (CFR) reaches zero the Council will need to start charging a minimum revenue provision to the general fund for the cost of capital and will need to consider external borrowing for further capital spend. The CFR at the 31 March 2023 was negative £2.72M.
- 10.4 The Council also aims to ensure that the level of planned capital spending in any one year matches the capacity of the organisation to deliver the schemes to ensure that the impact on the revenue budget of loss of cash-flow investment income is minimised.

11. RISK IMPLICATIONS

- 11.1 Good Risk Management supports and enhances the decision-making process, increasing the likelihood of the Council meeting its objectives and enabling it to respond quickly and effectively to change. When taking decisions, risks and opportunities must be considered.
- 11.2 The inherent risks in undertaking a capital project are managed by the project manager of each individual scheme. These are recorded on a project risk log which will be considered by the Project Oversight Group (if applicable). The key risks arising from the project may be recorded on IdeaGen (the Council's Performance & Risk management software).
- 11.3 Risks associated with treasury management and procedures to minimise risk are outlined in the Treasury Management Practices document, TMP1, which was adopted by Cabinet in July 2003 and is revisited annually as part of the Treasury Strategy review. The risk on the General Fund of a fall of investment interest below the budgeted level is dependent on banks and building societies need for borrowing.

12. EQUALITIES IMPLICATIONS

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2 There are no direct equalities implications directly arising from the adoption of the Capital Programme for 2023/24 onwards. For any individual new capital investment proposal of £50k or more, or affecting more than two wards, an equality analysis is required to be carried out. This will take place following agreement of the investment proposal.

13. SOCIAL VALUE IMPLICATIONS

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

14. ENVIRONMENTAL IMPLICATIONS

- 14.1. There are no known Environmental impacts or requirements that apply to recommendations of this report. The projects at section 8.4 may have impacts that contribute to an adverse impact. As these projects go forward, an assessment will be made where necessary.

15. HUMAN RESOURCE IMPLICATIONS

- 15.1 There are no direct human resource implications.

16. APPENDICES

- 16.1 Appendix A, Capital Programme Detail including Funding 2023/24 onwards.
16.2 Appendix B, Treasury Management Update.

17. CONTACT OFFICERS

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18. BACKGROUND PAPERS

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

Project	Service Directorate								Funding				
		2023/24 Funding £	2024/25 Funding £	2025/26 Funding £	2026/27 Funding £	2027/28 Funding £	2028/29 Funding £	2029/30 - 2033/34 Funding £	Funded from Other Grants	Funded from Government Grant	Funded from s106 contributions	Funded from Revenue / IT Reserve	Balance funded from Capital Receipts/ Set- aside receipts/ Borrowing
40 KVA UPS Device or Battery Replacement	Customers	12,000	0	14,000	0	0	16,000	0	0	0	0	0	42,000
Air Handling Humidification	Enterprise	0	15,000	0	0	0	0	0	0	0	0	0	15,000
Alternative to safeworld tokens for staff/members working remotely	Customers	6,900	3,000	0	3,000	0	19,000	0	0	0	0	0	31,900
Audio Improvements to Mountford Hall	Enterprise	0	15,000	0	0	0	0	0	0	0	0	0	15,000
Avenue Park Floodlights	Place	2,400	0	0	0	0		0	0	0	0	0	2,400
Avenue Park Splash Park	Place	0	70,000	0	0	0		0	0	0	0	0	70,000
Baldock Road Recreation Ground Letchworth	Place	0	30,000	0	0	0	0	0	0	0	0	0	30,000
Baldock Town Hall project	Legal and Community	4,100	0	0	0	0		0	0	0	0	0	4,100
Bancroft & Priory Splash Pads	Place	35,000	0	0	0	0		0	0	0	0	0	35,000
Bancroft Kiosk	Place	800	0	0	0	0		0	0	0	0	0	800
Bancroft Lighting	Place	0	45,000	0	0	0		0	0	0	0	0	45,000
Burials Database System	Place	0	55,000	0	0	0	0	0	0	0	0	0	55,000
Burymead Road Transfer Facility	Place	30,000	0	0	0	0		0	0	0	0	0	30,000
Cabinet Switches - 4 Floors	Customers	18,000	0	0	0	0		0	0	0	0	0	18,000
Cadcorp Local Knowledge & Notice Board Software	Customers	5,400	0	0	0	0		0	0	0	0	200	5,200
Careline Laptops	Customers	5,100	0	0	0	0		0	5,100	0	0	0	0
Careline Servers	Customers	3,800	0	0	0	0		0	0	0	0	0	3,800
CCTV at DCO & Hitchin Town Hall	Customers	20,000	0	0	0	0		0	0	0	0	0	20,000
CCTV Replacement	Customers	190,000	0	0	0	0		0	0	0	0	0	190,000
Charwood House	Enterprise	50,000	350,000	0	0	0		0	0	0	0	0	400,000
Community Centres Flat Roof Safety Barriers	Resources	0	43,000	0	0	0	0	0	0	0	0	0	43,000
Conference Calling Solutions in Large Meeting Rooms at District Council Offices	Customers	13,000	0	0	0	0		0	0	0	0	0	13,000
Council property improvements following condition surveys	Resources	100,000	100,000	100,000	100,000	85,000		0	0	0	0	0	485,000
Cyber Attacks - Events Monitoring Software Solution	Customers	2,000	0	0	0	0		0	0	0	0	0	2,000
Cycle Strategy implementation (GAF)	Regulatory	278,000	0	0	0	0		0	0	278,000	0	0	0
Data Switch Upgrade	Customers	15,000	0	0	0	0		0	0	0	0	0	15,000
DR Hardware Refresh Inc UPS Battery Pk (unit 3)	Customers	0	0	55,000	0	0		0	0	0	0	0	55,000
Email Encryption Software Solution	Customers	20,400	0	0	0	0		0	0	0	0	0	20,400
Enhancements to Hitchin Swim Centre facility	Place	65,000	0	0	0	0		0	0	0	0	0	65,000
Environmental Improvements	Place	147,300	0	0	0	0		0	0	0	0	0	147,300
EV Charging Point at the DCO	Resources	23,200	0	0	0	0	0	0	0	0	0	0	23,200
Fibre Waste Bins	Place	0	0	1,170,000	0	0	0	0	0	0	0	0	1,170,000
Former Public Convenience Portmill Lane	Enterprise	0	25,000	0	0	0		0	0	0	0	0	25,000
Green Infrastructure implementation (GAF)	Regulatory	185,000	0	0	0	0		0	0	185,000	0	0	0
Grounds Maintenance Vehicles & Machinery	Resources	0	315,000	0	0	0		0	0	0	0	0	315,000
Hitchin Lairage car park - cosmetic coating to four stairwells and replacement windows and doors	Resources	0	75,000	0	0	0		0	0	0	0	0	75,000
Hitchin Swim Centre Boiler Replacement	Place	0	200,000	0	0	0		0	0	0	0	0	200,000
Hitchin Swim Centre Café	Place	0	19,000	0	0	0	0	0	0	0	0	0	19,000
Hitchin Swimn Centre Pool View	Place	0	70,000	0	0	0	0	0		0	0	0	70,000
Hitchin Swim Centre Reception Toilet Refurbishment	Place	0	40,000	0	0	0		0	0	0	0	0	40,000

Project	Service Directorate								Funding				
		2023/24 Funding £	2024/25 Funding £	2025/26 Funding £	2026/27 Funding £	2027/28 Funding £	2028/29 Funding £	2029/30 - 2033/34 Funding £	Funded from Other Grants	Funded from Government Grant	Funded from s106 contributions	Funded from Revenue / IT Reserve	Balance funded from Capital Receipts/ Set-aside receipts/ Borrowing
Hitchin Swim Centre: Archers Member Change and Relaxation Area Refurbishment	Place	0	0	300,000	0	0		0	0	0	0	0	300,000
Hitchin Swim Centre: Changing Village Refurbishment	Place	0	0	0	225,000	0		0	0	0	0	0	225,000
Hitchin Swim Centre: Fitness Equipment Replacement	Place	0	0	371,700	0	0		0	0	0	0	0	371,700
Hitchin Town Hall Kitchen Enhancement	Enterprise	0	0	0	25,000	0	0	0	0	0	0	0	25,000
Howard Gardens Splashpad	Place	17,400	0	0	0	0		0	0	0	0	0	17,400
Howard Park Kiosk Refurbishment	Enterprise	30,000	0	0	0	0	0	0	0	0	0	0	30,000
Howard Park Letchworth Path Resurfacing	Place	0	20,000	0	10,000	10,000		0	0	0	0	0	40,000
Icknield Way Cemetery Letchworth Road and Path Resurfacing	Place	100,500	0	0	0	0		0	0	0	0	0	100,500
Infrastructure Hardware	Customers	28,000	314,000	0	18,000	18,000	190,000	0	0	0	0	0	568,000
Installation of trial on-street charging (GAF)	Regulatory	50,000	0	0	0	0		0	0	50,000	0	0	0
Ivel Springs Footpaths	Place	10,000	0	0	0	0		0	0	0	0	0	10,000
King George V Muga Hitchin	Place	0	55,000	0	0	0	0	0	0	0	0	0	55,000
John Barker Place, Hitchin	Regulatory	0	1,096,000	0	0	0		0	0	0	270,400	0	825,600
Lairage Multi-Storey Car Par - Structural wall repair	Resources	25,000	88,900	0	0	0		0	0	0	0	0	113,900
Laptops - Refresh Programme	Customers	43,700	40,000	319,000	49,000	35,000	40,000	443,000	0	0	0	0	969,700
Leasehold Cars	Resources	0	141,000	0	0	0		0	0	0	0	0	141,000
Leisure Condition Survey Enhancements	Place	58,800	0	0	0	0		0	0	0	0	0	58,800
Letchworth Multi-storey Car Park - parapet walls, soffit & decoration	Resources	15,000	114,000	0	0	0		0	0	0	0	0	129,000
Letchworth OD Pool Café	Place	0	53,000	0	0	0	0	0	0	0	0	0	53,000
Local Authority Housing Fund	Regulatory	543,000	0	0	0	0		0	0	543,000	0	0	0
Local Authority Housing Fund Pt 2	Regulatory	1,424,000	0	0	0	0		0	0	1,424,000	0	0	0
Match funding for Electric Vehicle charging	Regulatory	100,000	0	0	0	0		0	0	0	0	0	100,000
Members Laptops Refresh Programme	Customers	30,000	0	0	30,000	0		60,000	0	0	0	0	120,000
Microsoft Enterprise Software Assurance	Customers	0	0	679,000	0	0	747,000	747,000	0	0	0	0	2,173,000
Mrs Howard Hall Replacement Boiler & Windows	Resources	63,000	0	0	0	0		0	0	0	0	0	63,000
Museum Storage Facility	Enterprise	0	2,000,000	2,000,000	0	0		0	0	0	0	0	4,000,000
Newmarket Road Royston Skatepark & Access	Place	24,400	75,600	0	0	0		0	0	0	100,000	0	0
NH Museum & Community Facility	Enterprise	0	48,300	0	0	0		0	48,300	0	0	0	0
NHLC Air Handling Units	Place	0	250,000	0	0	0	0	0	0	0	0	0	250,000
NHLC Boiler Replacement	Place	0	200,000	0	0	0		0	0	0	0	0	200,000
NHLC Café	Place	0	20,000	0	0	0	0	0	0	0	0	0	20,000
NHLC Gym Platform Lift Replacement	Place	30,000	0	0	0	0	0	0	0	0	0	0	30,000
NHLC Gym Equipment	Place	0	434,000	0	0	0	0	0	0	0	0	0	434,000
NHLC Gym Refubishment	Place	0	292,000	0	0	0	0	0	0	0	0	0	292,000
NHLC Gym toilets and accessible toilet refurbishment	Place	40,000	0	0	0	0		0	0	0	0	0	40,000
NHLC Interactive Water Feature	Place	0	0	0	0	120,000		0	0	0	0	0	120,000
NHLC Lift Replacement	Place	0	90,000	0	0	0	0	0	0	0	0	0	90,000
NHLC Male, Female and Accessible Wet Change Refurbishment	Place	0	0	0	250,000	0	0	0	0	0	0	0	250,000
NHLC Pool Flume Replacement	Place	0	0	0	0	0	150,000		0	0	0	0	150,000
NHLC Pool View	Place	0	110,000	0	0	0	0	0	0	0	0	0	110,000
NHLC Reconfiguration of Reception Area	Place	28,500	0	0	0	0		0	0	0	0	0	28,500

									Funding				
		2023/24 Funding £	2024/25 Funding £	2025/26 Funding £	2026/27 Funding £	2027/28 Funding £	2028/29 Funding £	2029/30 - 2033/34 Funding £					
Project	Service Directorate								Funded from Other Grants	Funded from Government Grant	Funded from s106 contributions	Funded from Revenue / IT Reserve	Balance funded from Capital Receipts/ Set- aside receipts/ Borrowing
NHLC Soft Play	Place	112,500	0	0	0	0		0	0	0	0	0	112,500
Northern Transfer Station	Place	0	0	0	3,000,000	3,000,000		0	0	0	0	0	6,000,000
Norton Common Bowls Pavilion	Place	0	55,000	0	0	0	0	0	0	0	28,000	0	27,000
Norton Common Footpaths	Place	0	10,000	0	0	0		0	0	0	0	0	10,000
Norton Common Letchworth Tennis Courts	Place	0	25,000	0	0	0		0	0	0	0	0	25,000
Off Street Car Parks resurfacing and enhancement	Resources	40,000	60,000	50,000	59,400	0		0	0	0	0	0	209,400
Old Hale Way Allotments Hitchin	Place	0	20,000	0	0	0	0	0	0	0	0	0	20,000
Oughtonhead Common Footpaths	Place	0	20,000	0	0	0		0	0	0	0	0	20,000
Oughtonhead Common Hitchin Weir	Place	80,000	320,000	0	0	0		0	0	0	0	0	400,000
Oughtonhead Common Signage and Interpretation	Place	10,000	0	0	0	0		0	0	0	0	0	10,000
Parking Charging, Payments & Management	Regulatory	235,000	0	0	0	0		0	0	0	0	0	235,000
Parking Machines Replacement	Regulatory	150,000	150,000	0	0	0		0	0	0	0	0	300,000
Parking Machines Upgrade - Contactless Payment Facility Installation	Regulatory	56,000	0	0	0	0		0	0	42,000	0	0	14,000
PC's - Refresh Programme	Customers	16,300	13,000	7,000	8,000	5,000	8,000	13,000	0	0	0	0	70,300
Playground Renovation District Wide	Place	262,500	180,000	180,000	180,000	180,000	180,000	900,000	0	0	0	0	2,062,500
Priory Memorial Gardens MUGA Royston	Place	0	55,000	0	0	0	0	0	0	0	0	0	55,000
Private Sector Grants	Regulatory	30,000	178,100	60,000	60,000	60,000	60,000	300,000	0	0	0	0	748,100
Provide housing at market rents.	Enterprise	35,100	0	0	0	0		0	0	0	0	0	35,100
Public Sector Decarbonisation Fund	Place	0	9,514,600	0	0	0	0	0	0	7,743,000	0	0	1,771,600
Ransons Rec Footpaths, Gates and Railing	Place	20,000	0	0	0	0		0	0	0	0	0	20,000
Refurbishment and improvement of community facilities	Legal and Community	93,800	0	0	0	0		0	0	0	0	0	93,800
Refuse and Recycling Bins	Place	135,000	90,000	90,000	90,000	90,000	90,000	270,000	0	0	0	0	855,000
Remove pesting equipment - Emergency Lights and Water Temperature Monitoring	Resources	0	0	13,000	0	0		0	0	0	0	0	13,000
Renovate play area Howard Park, Letchworth	Place	4,600	0	0	0	0		0	0	0	0	0	4,600
Renovate skate park at KGV Hitchin	Place	1,300	248,700	0	0	0		0	0	0	0	0	250,000
Replacement of Newark Close, Royston	Enterprise	65,000	0	0	0	0		0	0	0	0	0	65,000
Replacement of the timber access bridge at Norton Common	Place	0	75,000	0	0	0		0	0	0	0	0	75,000
Resurface Lairage Car Park	Resources	30,000	316,300	0	0	0		0	0	0	0	0	346,300
Riverside walkway, Biggin Lane	Place	0	53,000	0	0	0		0	0	0	0	0	53,000
RLC change village refurbishment – replacement of cubicles, lockers, vanity area and group change.	Place	0	150,000	0	0	0		0	0	0	0	0	150,000
RLC swim showers and change village toilet refurbishment	Place	75,000	0	0	0	0		0	0	0	0	0	75,000
Royston Leisure Centre Boiler Replacement	Place	0	100,000	0	0	0		0	0	0	0	0	100,000
RLC Café	Place	0	0	20,000	0	0	0	0	0	0	0	0	20,000
Royston Leisure Centre Dry Side Toilet Refurbishment	Place	0	0	30,000	0	0		0	0	0	0	0	30,000
Royston Leisure Centre extension	Place	0	1,000,000	0	0	0		0	0	0	168,000	0	832,000
RLC Pool View	Place	0	70,000	0	0	0	0	0	0	0	0	0	70,000
RLC Gym Refubishment	Place	0	0	349,800	0	0	0	0	0	0	0	0	349,800
RLC Gym Refubishment	Place	0	0	452,000	0	0	0	0	0	0	0	0	452,000
RLC Learner Pool	Place	0	2,500,000	0	0	0	0	0	0	0	0	0	2,500,000

Project	Service Directorate								Funding				
		2023/24 Funding £	2024/25 Funding £	2025/26 Funding £	2026/27 Funding £	2027/28 Funding £	2028/29 Funding £	2029/30 - 2033/34 Funding £	Funded from Other Grants	Funded from Government Grant	Funded from s106 contributions	Funded from Revenue / IT Reserve	Balance funded from Capital Receipts/ Set- aside receipts/ Borrowing
Royston Leisure Centre Members Changing Refurbishment	Place	0	200,000	0	0	0		0	0	0	0	0	200,000
Royston Leisure Centre Solar Thermal Installation	Place	0	67,400	0	0	0		0	0	0	0	0	67,400
S106 Projects	Various	31,000	0	0	0	0		0	0	0	31,000	0	0
S016 Funding for additional social housing	Regulatory	385,000	0	0	0	0		0	0	0	385,000	0	0
Security - Firewalls	Customers	7,600	16,000	0	18,000	0	18,000	0	0	0	0	0	59,600
Shared Prosperity Fund Community and Place Intervention: Community Engagement Schemes	Enterprise	0	163,000	0	0	0		0	0	163,000	0	0	0
Shared Prosperity Fund Community and Place Intervention: Creation of and improvements to local green spaces	Enterprise	20,000	100,000	0	0	0		0	0	120,000	0	0	0
Shared Prosperity Fund Community and Place Intervention: Local sports facilities, tournaments, teams and leagues	Resources	100,000	100,000	0	0	0		0	0	200,000	0	0	0
Shared Prosperity Fund Community and Place Interventions	Resources	60,000	0	0	0	0		0	0	60,000	0	0	0
Solar PV Installation at Hitchin Swim Centre	Place	0	142,000	0	0	0		0	0	0	0	0	142,000
Solar PV installation at North Herts Leisure Centre	Place	0	338,000	0	0	0		0	0	0	0	0	338,000
Solar PV installation at Royston Leisure Centre	Place	0	241,000	0	0	0		0	0	0	0	0	241,000
St Johns Cemetery Footpath	Place	0	40,000	0	0	0		0	0	0	0	0	40,000
Swinburne Recreation Ground Hitchin	Place	0	30,000	0	0	0		0	0	0	0	0	30,000
Tablets - Android Devices	Customers	26,700	10,000	10,000	10,000	4,000	4,000	12,000	0	0	0	0	76,700
Technology One Financial System	Resources	200,000	0	0	0	0		0	0	0	0	0	200,000
Telephony system	Customers	3,200	0	0	0	0		0	0	0	0	0	3,200
Thomas Bellamy House, Hitchin	Enterprise	64,300	0	0	0	0		0	0	0	0	0	64,300
Transport Plans implementation (GAF)	Regulatory	250,000	0	0	0	0		0	0	250,000	0	0	0
Walsworth Common Pavilion - contribution to scheme	Place	0	0	300,000	0	0		0	250,000	0	37,000	0	13,000
Waste and Street Cleansing Vehicles	Place	0	0	8,500,000	0	0		0	0	0	0	3,200,000	5,300,000
Weston Hills Baldock	Place	20,000	0	0	0	0		0	0	0	0	0	20,000
Weston Hills LNR Footpath Renovation	Place	0	20,000	0	0	0		0	0	0	0	0	20,000
WiFi Upgrade	Customers	0	0	40,000	0	0		0	0	0	0	0	40,000
Wilbury Hills Cemetery Footpaths	Place	7,200	10,000	0	30,000	0		0	0	0	0	0	47,200
		6,520,800	23,592,900	15,110,500	4,165,400	3,607,000	1,522,000	2,745,000	303,400	11,058,000	1,019,400	3,200,200	41,682,600

Treasury Management Update

Quarterly report

31st December 2023 (Q3 2023/24)

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

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Treasury Management Update

Quarter Ended 31st December 2023 (Q3 2023/24)

The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management 2021 recommends that members be updated on treasury management activities at least quarterly. This report, therefore, ensures this Council is implementing best practice in accordance with the Code.

1. Economics update

- The third quarter of 2023/24 saw:
 - A 0.3% m/m decline in real GDP in October, potentially partly due to unseasonably wet weather, but also due to the ongoing drag from higher interest rates. Growth for the second quarter, ending 30th September, was revised downwards to -0.1% and growth on an annual basis was also revised downwards, to 0.3%;
 - A sharp fall in wage growth, with the headline 3myy rate declining from 8.0% in September to 7.2% in October, although the ONS “experimental” rate of unemployment has remained low at 4.2%;
 - CPI inflation continuing on its downward trajectory, from 8.7% in April to 4.6% in October, then again to 3.9% in November;
 - Core CPI inflation decreasing from April and May’s 31 years’ high of 7.1% to 5.1% in November, the lowest rate since January 2022;
 - The Bank of England holding rates at 5.25% in November and December;
 - A steady fall in 10-year gilt yields as investors revised their interest rate expectations lower.
- The revision of GDP data in Q2 to a 0.1% q/q fall may mean the mildest of mild recessions has begun. Indeed, real GDP in October fell 0.3% m/m which does suggest that the economy may stagnate again in Q3. The weakness in October may partly be due to the unseasonably wet weather. That said, as the weakness was broad based it may also be the case that the ongoing drag from higher interest rates is more than offsetting any boost from the rise in real wages.
- However, the rise in the flash composite activity Purchasing Managers Index, from 50.7 in November to 51.7 in December, did increase the chances of the economy avoiding a contraction in Q3. The improvement was entirely driven by the increase in the services activity balance from 50.9 to 52.7. (Scores above 50 point to expansion in the economy, although only tepid in this instance.) The press release noted that this was primarily driven by a revival in consumer demand in the technological and financial services sectors. This chimes with the further improvement in the GfK measure of consumer confidence in December, from -24 to -22. The services PMI is now consistent with non-retail services output growing by 0.5% q/q in Q3, but this is in stark contrast to the manufacturing sector where the output balance slumped from 49.2 to 45.9 and, at face value, the output balance is consistent with a 1.5% q/q fall in manufacturing output in Q3.
- The 0.3% m/m fall in retail sales volumes in October means that after contracting by 1.0% q/q (which was downwardly revised from -0.8% q/q) in Q2, retail activity remained weak at the start of Q3. That suggests higher interest rates are taking a bigger toll on real consumer spending.
- Higher interest rates have filtered through the financial channels and weakened the housing market but, overall, it remains surprisingly resilient with only marginal falls showing year on year on the Halifax (-1%) and Nationwide (-1.8%) indices. However, the full weakness in real consumer spending and real business investment has yet to come as currently it is estimated that around two thirds to a half of the impact of higher interest rates on household interest payments has yet to be felt.
- Overall, we expect real GDP growth to remain subdued throughout 2024 as the drag from higher interest rates is protracted but a fading of the cost-of-living crisis and interest rate cuts in the second half of 2024 will support a recovery in GDP growth in 2025.
- The labour market remains tight by historical standards, but the sharp fall in wage growth seen in October will reinforce the growing belief in markets that interest rates will be cut mid-2024. Wage growth eased in October much faster than the consensus expected. Total earnings fell by 1.6% m/m, which meant the headline 3myy rate eased from 8.0% in September to 7.2% in October. This news will be welcomed by the

Bank of England. Indeed, the timelier three-month annualised rate of average earnings growth fell from +2.4% to -1.2%. Excluding bonuses, it fell from 5.3% to 2.0%. Furthermore, one of the Bank's key barometers of inflation persistence, regular private sector pay growth, dropped from 7.9% 3myy to 7.3%, which leaves it comfortably on track to fall to 7.2% by December, as predicted by the Bank in November.

- The fall in wage growth occurred despite labour demand being stronger in October than expected. The three-month change in employment eased only a touch from +52,000 in September to +50,000 in October. But resilient labour demand was offset by a further 63,000 rise in the supply of workers in the three months to October. That meant labour supply exceeded its pre-pandemic level for the first time, and the unemployment rate remained at 4.2% in October. In the three months to November, the number of job vacancies fell for the 17th month in a row, from around 959,000 in October to around 949,000. That has reduced the vacancy to unemployment ratio as demand for labour eases relative to supply, which may support a further easing in wage growth in the coming months.
- CPI inflation fell from 6.7% in September to 4.6% in October, and then again to 3.9% in November. Both these falls were bigger than expected and there are clear signs of easing in domestic inflationary pressures. The fall in core CPI inflation from 5.7% to 5.1% in November was bigger than expected (consensus forecast 5.6%). That's the lowest rate since January 2022. Some of the decline in core inflation was due to the global influence of core goods inflation, which slowed from 4.3% to 3.3%. But some of it was due to services inflation falling from 6.6% to 6.3%. The Bank views the latter as a key barometer of the persistence of inflation and it came in further below the Bank's forecast of 6.9% in its November Monetary Policy Report. This will give the Bank more confidence that services inflation is now on a firmly downward path.
- The Bank of England sprung no surprises with its December monetary policy committee (MPC) meeting, leaving interest rates at 5.25% for the third time in a row and pushing back against the prospect of near-term interest rate cuts. The Bank continued to sound hawkish, with the MPC maintaining its tightening bias saying that "further tightening in monetary policy would be required if there were evidence of more persistent inflationary pressures". And it stuck to the familiar script, saying that policy will be "sufficiently restrictive for sufficiently long" and that "monetary policy is likely to need to be restrictive for an extended period of time". In other words, the message is that the MPC is not yet willing to endorse investors' expectations that rates will be cut as soon as May 2024.
- Looking ahead, our colleagues at Capital Economics forecast that the recent downward trends in CPI and core inflation will stall over the next few months before starting to decline more decisively again in February. That explains why we think the Bank of England won't feel comfortable cutting interest rates until H2 2024.
- The fall in UK market interest rate expectations in December has driven most of the decline in 10-year gilt yields, which have fallen in line with 10-year US Treasury and euro-zone yields. 10-year gilt yields have fallen from 4.68% in October 2023 to around 3.70% at the time of writing, with further declines likely if the falling inflation story is maintained.
- Investors' growing expectations that the Fed will cut interest rates soon has led to an improvement in risk sentiment, which has boosted the pound and other risky assets. In addition, the rise in the pound, from \$1.21 in November to \$1.27 now, has also been supported by the recent relative decline in UK wholesale gas prices.
- The further fall in 10-year real gilt yields in December has supported the recent rise in the FTSE 100. That said, the index remains 5% below its record high in February. This modest rise in equities appears to have been mostly driven by strong performances in the industrials and rate-sensitive technology sectors. But UK equities have continued to underperform US and euro-zone equities. The FTSE 100 has risen by 2.2% in December, while the S&P 500 has risen by 3.8%. This is partly due to lower energy prices, which have been a relatively bigger drag on the FTSE 100, due to the index's high concentration of energy companies.

MPC Meetings 2nd November and 14th December 2023

- On 2nd November, the Bank of England's Monetary Policy Committee (MPC) voted to keep Bank Rate on hold at 5.25%, and on 14th December reiterated that view. Both months reflected a split vote, the latter by 6 votes to 3, with the minority grouping voting for an increase of 0.25% as concerns about "sticky" inflation remained in place.
- Nonetheless, with UK CPI inflation now at 3.9%, and core inflation beginning to moderate (5.1%), markets are voicing a view that rate cuts should begin in Q1 2024/25, some way ahead of the indications from MPC members. Of course, the data will be the ultimate determinant, so upcoming publications of employment, wages and inflation numbers will be of particular importance, and on-going volatility in Bank Rate expectations and the gilt yield curve can be expected.

- In addition, what happens outside of the UK is also critical to movement in gilt yields. The US FOMC has kept short-term rates in the range of 5.25%-5.50%, whilst the ECB has moved its Deposit rate to a probable peak of 4%. Markets currently expect both central banks to start cutting rates in 2024.

2. Interest rate forecasts

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

Link Group Interest Rate View 07.11.23													
	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
BANK RATE	5.25	5.25	5.25	5.00	4.50	4.00	3.50	3.25	3.00	3.00	3.00	3.00	3.00
3 month ave earnings	5.30	5.30	5.30	5.00	4.50	4.00	3.50	3.30	3.00	3.00	3.00	3.00	3.00
6 month ave earnings	5.60	5.50	5.40	5.10	4.60	4.10	3.60	3.40	3.10	3.10	3.10	3.10	3.10
12 month ave earnings	5.80	5.70	5.50	5.20	4.70	4.20	3.70	3.50	3.30	3.30	3.30	3.30	3.30
5 yr PWLB	5.00	4.90	4.80	4.70	4.40	4.20	4.00	3.80	3.70	3.60	3.50	3.50	3.50
10 yr PWLB	5.10	5.00	4.80	4.70	4.40	4.20	4.00	3.80	3.70	3.70	3.60	3.60	3.50
25 yr PWLB	5.50	5.30	5.10	4.90	4.70	4.50	4.30	4.20	4.10	4.10	4.00	4.00	4.00
50 yr PWLB	5.30	5.10	4.90	4.70	4.50	4.30	4.10	4.00	3.90	3.90	3.80	3.80	3.80

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

Link Group Interest Rate View 26.06.23													
	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26
BANK RATE	5.00	5.50	5.50	5.50	5.25	4.75	4.25	3.75	3.25	2.75	2.75	2.50	2.50
3 month ave earnings	5.30	5.60	5.50	5.30	5.00	4.50	4.00	3.50	3.00	2.70	2.60	2.50	2.50
6 month ave earnings	5.80	5.90	5.70	5.50	5.10	4.60	4.00	3.50	3.00	2.70	2.60	2.60	2.60
12 month ave earnings	6.30	6.20	6.00	5.70	5.30	4.80	4.10	3.60	3.10	2.80	2.70	2.70	2.70
5 yr PWLB	5.50	5.60	5.30	5.10	4.80	4.50	4.20	3.90	3.60	3.40	3.30	3.30	3.20
10 yr PWLB	5.10	5.20	5.00	4.90	4.70	4.40	4.20	3.90	3.70	3.50	3.50	3.50	3.40
25 yr PWLB	5.30	5.40	5.20	5.10	4.90	4.70	4.50	4.20	4.00	3.90	3.80	3.80	3.70
50 yr PWLB	5.00	5.10	5.00	4.90	4.70	4.50	4.30	4.00	3.80	3.60	3.60	3.50	3.50

Link Group Interest Rate View 24.05.23													
	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26
BANK RATE	4.75	5.00	5.00	4.75	4.50	4.00	3.50	3.25	2.75	2.50	2.50	2.50	2.50
3 month ave earnings	4.80	5.00	5.00	4.80	4.50	4.00	3.50	3.30	2.80	2.50	2.50	2.50	2.50
6 month ave earnings	5.10	5.20	5.10	4.90	4.50	3.90	3.40	3.20	2.90	2.60	2.60	2.60	2.60
12 month ave earnings	5.40	5.40	5.30	5.00	4.50	3.90	3.40	3.20	2.90	2.70	2.70	2.70	2.70
5 yr PWLB	5.00	5.00	5.00	4.80	4.50	4.10	3.70	3.50	3.30	3.20	3.20	3.10	3.10
10 yr PWLB	5.00	5.00	5.00	4.80	4.40	4.10	3.80	3.60	3.50	3.40	3.30	3.30	3.30
25 yr PWLB	5.30	5.30	5.20	5.10	4.80	4.50	4.20	4.00	3.80	3.70	3.60	3.60	3.60
50 yr PWLB	5.10	5.10	5.00	4.90	4.60	4.30	4.00	3.80	3.60	3.50	3.40	3.40	3.40

Link Group Interest Rate View 27.03.23													
	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26
BANK RATE	4.50	4.50	4.25	4.00	3.50	3.25	3.00	2.75	2.75	2.50	2.50	2.50	2.50
3 month ave earnings	4.50	4.50	4.30	4.00	3.50	3.30	3.00	2.80	2.80	2.50	2.50	2.50	2.50
6 month ave earnings	4.50	4.40	4.20	3.90	3.40	3.20	2.90	2.80	2.80	2.60	2.60	2.60	2.60
12 month ave earnings	4.50	4.40	4.20	3.80	3.30	3.10	2.70	2.70	2.70	2.70	2.70	2.70	2.70
5 yr PWLB	4.10	4.10	3.90	3.80	3.70	3.60	3.50	3.40	3.30	3.20	3.20	3.10	3.10
10 yr PWLB	4.20	4.20	4.00	3.90	3.80	3.70	3.50	3.50	3.40	3.30	3.30	3.20	3.20
25 yr PWLB	4.60	4.50	4.40	4.20	4.10	4.00	3.80	3.70	3.60	3.50	3.50	3.40	3.40
50 yr PWLB	4.30	4.20	4.10	3.90	3.80	3.70	3.50	3.50	3.30	3.20	3.20	3.10	3.10

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

A SUMMARY OVERVIEW OF THE FUTURE PATH OF BANK RATE

- Our central forecast for interest rates was previously updated on 7th November and reflected a view that the MPC would be keen to underpin its anti-inflation credentials by keeping Bank Rate at 5.25% until at least H2 2024. We expect rate cuts to start when both the CPI inflation and wage/employment data are unequivocally supportive of such a move, and that there is a strong likelihood of the overall economy enduring tepid growth (at best) or a mild recession (at worst) over the coming months.
- Naturally, timing on this matter will remain one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged.
- In the upcoming months, our forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the Government over its fiscal policies, but also international factors such as policy development in the US and Europe, the provision of fresh support packages to support the faltering recovery in China as well as the on-going conflict between Russia and Ukraine, and Gaza and Israel.
- On the positive side, consumers are still anticipated to be sitting on some excess savings left over from the pandemic, which could cushion some of the impact of the above challenges and may be the reason why the economy is performing a little better at this stage of the economic cycle than may have been expected. Nonetheless, with approximately 400,000 households per quarter facing a mortgage interest reset at higher levels than their current rate, the economy will face on-going headwinds from that source, in addition to lower income households having to spend disproportionately on essentials such as food, energy and rent payments.

PWLB RATES

- As illustrated in the charts in section 1, gilt yields have endured a volatile nine months with yields rising significantly on the back of inflation concerns before retracing much of those increases in November and December. With the market now anticipating rate cuts by H2 2024, the short and medium parts of the curve are now close to where they started 2023/24, but the longer part of the curve is still a little higher. At the time of writing there is c50 basis points difference between the 5 and 50 year parts of the curve.

The balance of risks to the UK economy: -

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

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

- **Labour and supply shortages** prove more enduring and disruptive and depress economic activity (accepting that in the near-term this is also an upside risk to inflation and, thus, could keep gilt yields high for longer).
- **The Bank of England** has increased Bank Rate too fast and too far over recent months, and subsequently brings about a deeper and longer UK recession than we currently anticipate.
- **UK / EU trade arrangements** – if there was a major impact on trade flows and financial services due to complications or lack of co-operation in sorting out significant remaining issues.
- **Geopolitical risks**, for example in Ukraine/Russia, the Middle East, China/Taiwan/US, Iran and North Korea, which could lead to increasing safe-haven flows.

3. Annual Investment Strategy

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

- Security of capital
- Liquidity
- Yield

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

As shown by the interest rate forecasts in section 2, investment rates have remained elevated during 2023/24 but are now expected to have peaked.

Creditworthiness.

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

Investment counterparty criteria

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

CDS prices

For UK banks, there are no underlying negative themes. Prices are not misaligned with other creditworthiness indicators, such as credit ratings. Nevertheless, it remains important to undertake continual monitoring of all aspects of risk and return in the current circumstances.

Investment balances

The average level of funds available for investment purposes during the quarter was **£61m**. These funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the capital programme. The Council holds **£20m** core cash balances for investment purposes (i.e., funds available for more than one year).

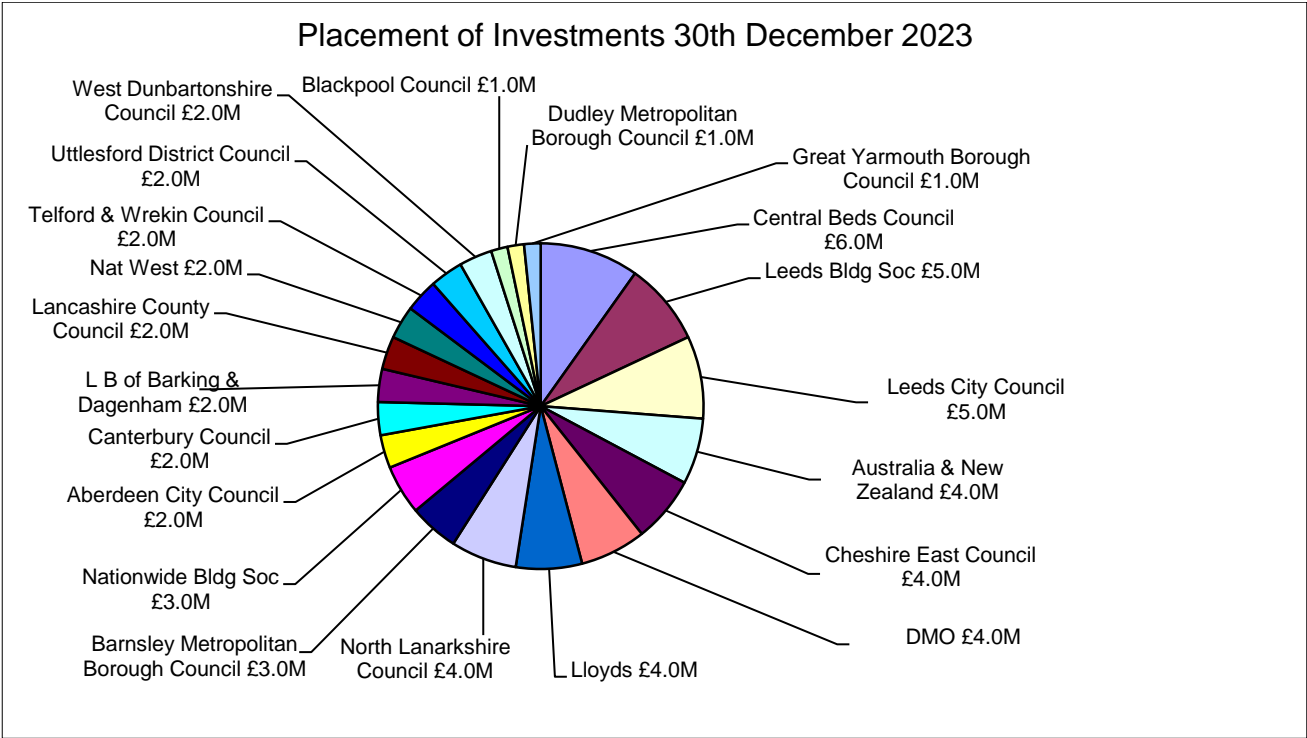
	Amount	Average
	£	Interest Rate %
Managed By NHC		
Banks	10,000,000	5.09
Building Societies	8,000,000	5.43
Local Authorities	39,000,000	5.56
Government	4,000,000	5.23
Total	61, 000,000	5.43

In percentage terms, this equates to:

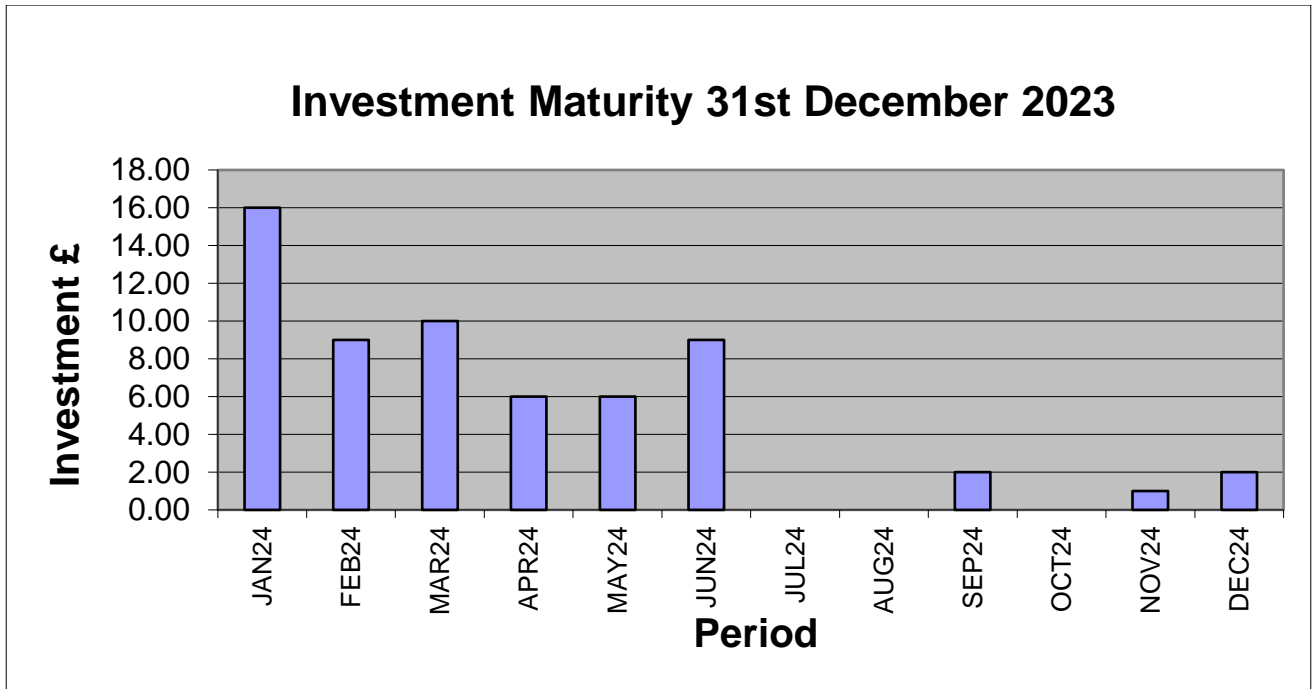
	Percentage
Government	7
Banks	16
Local Authorities	64
Building Societies	13

The approved 23/24 strategy is that no more than 60% of investments should be placed with Building Societies and Property Funds with a maximum value of £25M. The value at 31 December was £08.0M.

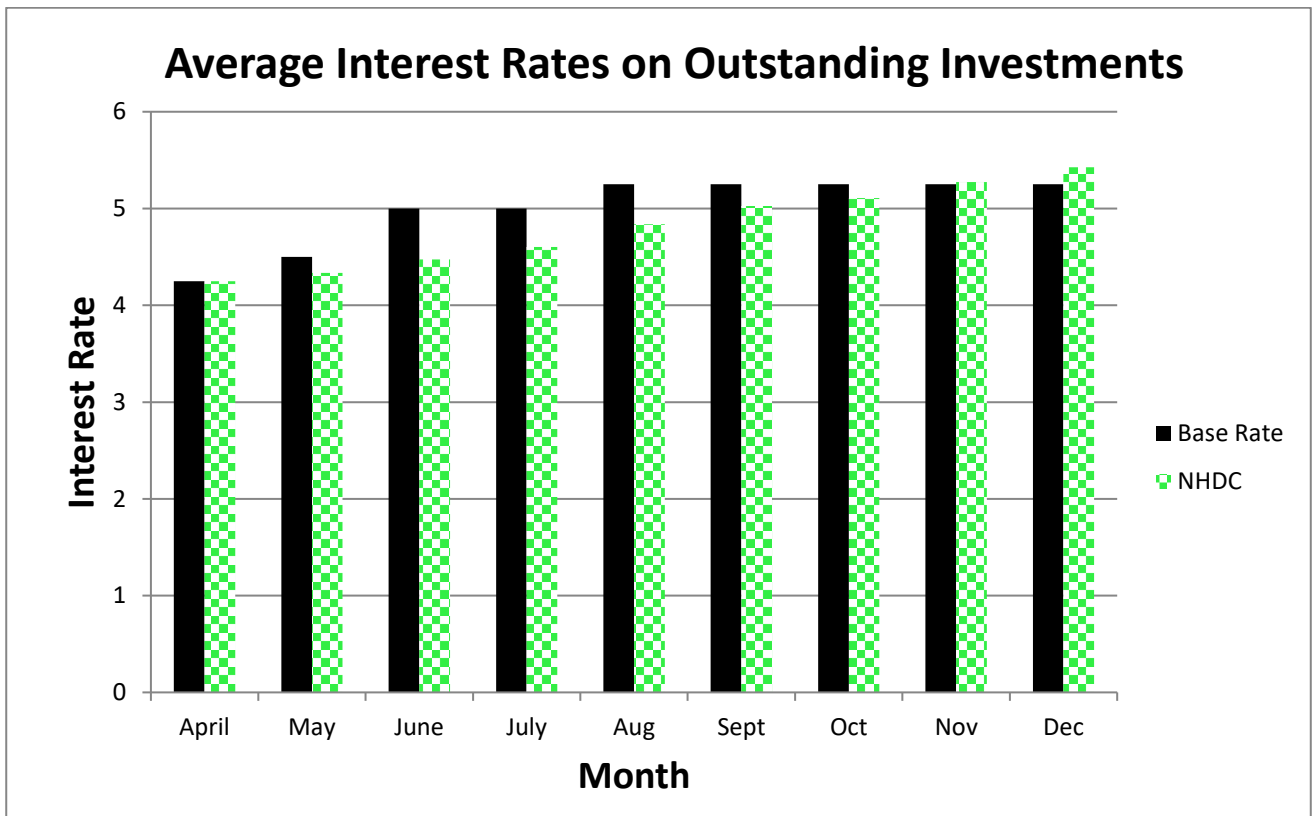
The pie chart below shows the spread of investment balances as at 31 December 2023. This is a snapshot in time that demonstrates the diversification of investments.



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



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



Approved limits

Officers can confirm that the approved limits within the Annual Investment Strategy were not breached during the quarter ended 31st December 2023.

4. Borrowing

No borrowing was undertaken during the quarter ended 31st December 2023. It is anticipated that further borrowing will not be undertaken during this financial year.

Based on 3rd quarter estimates for capital expenditure, the Council's capital financing requirement (CFR) for 2023/24 is expected to be -£2.145M (-£2.719M at the end of 22/23). The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing) or from internal balances (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions and future forecasts.

Loans Outstanding at 30 December 2023:

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

Estimated outstanding debt:

Year	Forecast Borrowing £m	Forecast other long-term liabilities £m	Less: Internal Borrowing £m	Forecast Total External Debt £m	Operational Boundary £m	Authorised Limit £m
31 st March 2024 (Forecast)	0.347	0.516	0	0.863	2.0	7.0
31 st March 2025 (Forecast)	12.174	0.106	11.849	0.431	2.0	7.0
31 st March 2026 (Forecast)	16.177	8.600	15.872	8.905	10.0	15.0
31 st March 2027 (Forecast)	19.728	8.092	19.438	8.382	10.0	15.0
31 st March 2028 (Forecast)	23.320	7.582	23.045	7.857	9.0	14.0

* Comprises the finance lease relating to Letchworth Multi-storey car park and impact of the finance lease for waste vehicles.

The external borrowing forecast can be used to give an indication of the borrowing that may be required, which is combined with outstanding existing borrowing. The Council will also borrow for short-term cash-flow needs if required. The actual borrowing that is taken out will depend on the latest forecasts and the offers that are available at the time that it is required. There will also be a consideration of when any other borrowing becomes due, with the aim of achieving a spread of these dates. This is to try and avoid refinancing risk. The Council is required to set indicators for the maturity structure of its borrowing. Given the low level of borrowing that the Council currently has and is forecast to have, it is considered appropriate to maintain full flexibility as to the exact duration of any borrowing undertaken.

To manage refinancing risk, the Council sets limits on the maturity structure of its borrowing. However, these indicators are set relatively high to provide sufficient flexibility to respond to opportunities to repay or take out new debt (if it was required), while remaining within the parameters set by the indicators.

Maturity Period	Lower %	Upper %
Under 12 months	0	100
12 months to 2 years	0	100
2 years to 5 years	0	100
5 years to 10 years	0	100
10 years to 20 years	0	100
20 years and above	0	100

The Prudential Indicator below considers the cost of borrowing as a % of the net revenue budget of the Council.

Year	Estimated cost of borrowing £m	Forecast net revenue budget £m	Estimated cost of borrowing as a % of net revenue budget
2023/24	0.037	16.688	0.222
2024/25	0.036	20.309	0.177
2025/26	0.567	19.620	2.890
2026/27	0.747	18.996	3.932
2027/28	0.907	19.088	4.752

The Council is required to set a prudential indicator that estimates financing costs (cost of borrowing less income from investments) as a percentage of its net revenue budget.

Year	Estimated cost of borrowing £m	Less: Forecast of interest earned £m	Net Financing Costs £m	Forecast net revenue budget £m	Estimated cost of Net borrowing as a % of net revenue budget
2023/24	0.037	2.940	-2.903	16.688	-17.396
2024/25	0.036	1.150	-1.114	20.309	-5.485
2025/26	0.567	0.608	-0.041	19.620	-0.209
2026/27	0.747	0.466	0.281	18.996	1.480
2027/28	0.907	0.267	0.640	19.088	3.353

5. Debt rescheduling

No debt rescheduling was undertaken during the quarter.

6. Compliance with Treasury and Prudential Limits

The prudential and treasury Indicators are shown in Appendix 1.

It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. During the *quarter ended* 31st December 2023, the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement for 2023/24. The Service Director: Resources reports that no difficulties are envisaged for the current or future years in complying with these indicators.

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

APPENDIX 1: Prudential and Treasury Indicators for 2023-24 as of 31st December 2023

Treasury Indicators	2023/24 Budget £'000	31.03.23 Actual £'000
Authorised limit for external debt	7,000	7,000
Operational boundary for external debt	2,000	2,000
Gross external debt	367	357
Investments	40,700	61,000
Net borrowing	-40,333	-60,643
Maturity structure of fixed rate borrowing - upper and lower limits		
Under 12 months	21	21
12 months to 2 years	21	21
2 years to 5 years	50	50
5 years to 10 years	25	25
Upper limit for principal sums invested over 365 days	17,000 Max	0

Prudential Indicators	2023/24 Budget £'000	31.03.23 Actual £'000
Capital expenditure *	8,225	654
Capital Financing Requirement (CFR) *	-1,469	-2,629
In year borrowing requirement	0	0
Ratio of financing costs to net revenue stream *	-8.442	-1.66

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CABINET
19 March 2024

PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: THIRD QUARTER REVENUE BUDGET MONITORING 2023/24

REPORT OF: THE SERVICE DIRECTOR - RESOURCES

EXECUTIVE MEMBER: EXECUTIVE MEMBER FOR FINANCE AND IT

COUNCIL PRIORITY: SUSTAINABILITY

1. EXECUTIVE SUMMARY

- 1.1. The purpose of this report is to inform Cabinet of the summary position on revenue income and expenditure forecasts for the financial year 2023/24, as at the end of the third quarter. The forecast variance is a £415k decrease in the net working budget of £17.103million, with an ongoing impact in future years of a £68k increase, and requests to carry forward unspent budget totalling £343k to fund specific projects and activities in 2024/25. Explanations for all significant variances are provided in table 3.

2. RECOMMENDATIONS

- 2.1. That Cabinet note this report.
- 2.2. That Cabinet approves the adjustments to the 2023/24 General Fund budget, as identified in table 3 and paragraph 8.2, a £415k decrease in net expenditure.
- 2.3. That Cabinet approves the changes to the 2024/25 General Fund budget, as identified in table 3 and paragraph 8.2, a total £411k increase in net expenditure.

3. REASONS FOR RECOMMENDATIONS

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

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. Budget holders have considered the options to manage within the existing budget but consider the variances reported here necessary and appropriate.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1. Consultation on the budget monitoring report is not required. Members will be aware that there is wider consultation on budget estimates during the corporate business planning process each year.

6. FORWARD PLAN

- 6.1. The report contains a recommendation on a key decision that was first notified to the public in the Forward Plan on the 1st December 2023.

7. BACKGROUND

- 7.1. Council approved the revenue budget for 2023/24 of £18.496million in February 2023. As at the end of Quarter Three, the working budget has reduced to £17.103million. Table 1 below details the approved changes to this budget to get to the current working budget:

Table 1 - Current Working Budget

	£k
Original Revenue Budget for 2023/24 approved by Full Council	18,496
Quarter 3 2022/23 Revenue Budget Monitoring report – 2023/24 budget changes approved by Cabinet (March 2023)	549
2022/23 Revenue Budget Outturn Report – 2023/24 budget changes approved by Cabinet (June 2023)	(47)
First Quarter Revenue Monitoring 2023/24 report - 2023/24 variances approved by Cabinet (September 2023)	(1,119)
Second Quarter Revenue Monitoring 2023/24 report - 2023/24 variances approved by Cabinet (January 2024)	(475)
Month 8 revenue monitoring included within 2024/25 budget report – 2023/24 variances approved by Cabinet (February 2024)	(301)
Current Working Budget	17,103

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

Table 2 – Service Directorate Budget Allocations

	Working Budget at Quarter Two	Changes approved at Q2 2023/24	Changes approved at Month 8 2023/24	Other Budget Transfers in Q3	Current Net Direct Working Budget
Service Directorate	£k	£k	£k	£k	£k
Managing Director	(513)	(573)	0	(140)	(1,226)
Customers	4,251	(67)	(320)	(34)	3,830
Enterprise	58	(161)	5	0	(98)
Legal & Community	2,800	(29)	0	1	2,772
Place	6,056	327	0	1	6,384
Regulatory Services	2,204	111	9	140	2,464
Resources	3,023	(83)	5	32	2,977
TOTAL	17,879	(475)	(301)	0	17,103

8. RELEVANT CONSIDERATIONS

- 8.1. Service Managers are responsible for monitoring their expenditure and income against their working budget. Table 3 below highlights those areas where there are forecast to be differences. An explanation is provided for each of the most significant variances, which are generally more than £25k. The final columns detail if there is expected to be an impact on next year's (2024/25) budget:

Table 3 - Summary of significant variances

Budget Area	Working Budget £k	Forecast Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2024/25 £k
Treasury Investments Interest Income	(3,014)	(2,940)	+74	Decrease in forecast interest income reflects lower cash balances available for investment during the quarter than anticipated when the revised income forecast at quarter two was prepared (which increased the interest income budget by £413k).	0	0
Corporate Apprenticeship Scheme	107	0	(107)	A proportion of this underspend relates to several apprentices who either moved into a permanent role before the end of their apprenticeship or left the Council mid-way through their apprenticeship. In addition, the resource for apprenticeship salaries was increased during the year by both £23k of government incentive funding and the allocation of £52k from the 2022/23 staffing carry forward of £300k for a higher-level HR apprentice on a 22-month contract. Part of the carry forward requested will therefore be used to fund this post in the next financial year.	107	0
Customers Directorate Staffing Costs	5,912	5,821	(91)	Forecast salary underspend results from various vacant posts due to difficulty in recruiting temporary and permanent staff in the MSU, IT Services and the Customer Service Centre. It is requested to carry forward £39k of the unspent budget to extend the funding of the Digital Services team until March 2025. This will facilitate the delivery of the programme of works identified in the Council's Digital Strategy 2024-2027 approved by Cabinet in February.	39	0
Careline Service – income contributions from Hertfordshire County Council	(2,713)	(2,753)	(40)	Increase in projected income over and above corresponding costs is due to the refurbishment and reuse of returned equipment. The Council receives fixed contributions from HCC for new installations, regardless of whether the equipment installed is newly purchased or refurbished. The growth in the staffing establishment required to recruit the necessary engineers is already included in the working budget.	0	0
Enterprise Directorate Staffing Costs	1,201	1,118	(83)	The forecast underspend is mainly due to vacancies held in the Commercial Projects team with a team restructure anticipated in around May this year. The restructure will ensure that the make-up of the team is aligned to the Enterprise work programme for the years ahead, including supporting the progress of the Churchgate project, Economic Development, and tourism.	0	0

Budget Area	Working Budget £k	Forecast Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2024/25 £k
Legal & Community Directorate Staffing – Elections Support	30	10	(20)	The delegated decision of the 9 th June 2023 on the allocation of the £300k staffing underspend carried forward from 2022/23 earmarked up to £30k for additional part-time elections support up until the next General Election. With an all-out District Council election scheduled for May 2024 and a General Election due to take place no later than January 2025, it is requested that the amount forecast to be unspent at the end of this financial year is carried forward to cover the cost of the additional elections support in the next financial year.	20	0
Income from Taxi Licenses	(141)	(111)	+30	The forecast shortfall in taxi licence licensing income is due, predominantly, to the irregular pattern of licence renewals (6mths, 1yr, 2yr, 3yr, 5yr), which is difficult to reflect in a typical average year resulting in a shortfall some years and an excess in others.	0	0
Fly Tipping Costs	55	123	+68	There has been an increase in some fly tip types, in particular white goods, commercial waste and green waste. An increase in the instances of fly tipping directly increases costs incurred, with an increase in the size of fly tips also increasing costs.	0	68
Regulatory Directorate Staffing Costs	4,703	4,648	(55)	Forecast staffing underspend is mainly due to recruiting difficulties in Planning resulting in a higher level of vacancies. As noted in the presentation of the Revenue Budget 2024/25 report to Cabinet in February, some of the staffing underspend (£10k) will be used to finance the appointment of the Luton Airport expansion consultants (referred to below) as, due to the recruitment difficulties, there is a lack of capacity and expertise to undertake this work in-house. It is requested that the remaining £45k of the unspent staffing budget is carried forward to fund the work of the Town Centre Strategy temporary agency post in the next financial year. The agency staff member is currently in post, and it is proposed to extend their contract until August to progress the implementation of the town centre strategies.	45	0
Service Director Housing & Environmental Health	140	62	(78)	At the meeting in March 2023, Cabinet approved the use of £140k of salary budget carry forward for additional Service Director capacity for an 18-month period. With the Service Director in post from the 14 th August 23, the forecast unspent budget is requested to be carried forward to cover the period to February 2025.	78	0

Budget Area	Working Budget £k	Forecast Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2024/25 £k
Transport User Forum	46	0	(46)	The change in the use of most of the Transport User Forum investment budget carried forward from 2022/23 was highlighted to Cabinet at the last meeting in February in the presentation of the Revenue Budget 2024/25 report. £40k of the investment bid will instead now be used for consultants on the Luton Airport Expansion (as referred to below). The remaining budget of £6k is requested to be carried forward to fund the activity of the Transport Users Forum and any associated consultation or promotion undertaken in future years.	6	0
Planning Policy Consultants – Luton Airport Expansion	0	50	+50	Consultants are required for the preparation of the Council's response and representations to the examination of the proposed Luton Airport expansion. The Council has been defined as a host authority, with the impact of the expansion directly affecting residents as well as the relocated portion of Wigmore Valley Park within North Herts, albeit on land owned by Luton Rising.	0	0
Sustainable Travel Town	20	0	(20)	Joint Member Steering Groups have been set up for both Letchworth and Royston Sustainable Travel Towns and officers are working with the Steering Group to agree projects to be taken forward as part of the implementation plan for next financial year. It is therefore requested that this investment budget is carried forward to finance the implementation in next year.	20	0
Town Wide Reviews	19	9	(10)	A number of Traffic Regulation Orders (TROs) are mid process following consultation across all four towns and Knebworth. It is requested to carry forward the forecast unspent budget to fund the completion of the various outstanding TROs, with the publication of the orders and implementation of the associated restrictions anticipated by the summer.	10	0

Budget Area	Working Budget £k	Forecast Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2024/25 £k
Local Plan Post Adoption review – expenditure on consultants	26	8	(18)	Cabinet approved, in principle, a full review of the Local Plan in January 2024. The Levelling Up and Regeneration Act was, however, only published in November 2023 (having been expected earlier in the year), while secondary legislation and Government guidance setting out how a Local Plan should now be prepared are still awaited. This, alongside ongoing recruitment challenges, means work through to the end of the financial year will be more focussed on implementation of the current Local Plan rather than initiating new workstreams in relation to the review. While there is expected to be some expenditure on the review in this financial year, it is requested to carry forward a further £18k of unspent budget, in addition to those amounts previously requested to be carried forward at Qtr2 (60k) and month 8 (£30k).	18	0
Car Parking PCN Income	(683)	(743)	(60)	The number of penalty charge notices issued is ahead of budget with the Civil Enforcement Officer team managing higher levels of traffic offences within and around the town centres.	0	0
Total of explained variances	5,708	5,302	(406)		343	68
Other minor balances	11,395	11,386	(9)		0	0
Overall Total	17,103	16,688	(415)		343	68

8.2. Cabinet are asked to approve the differences highlighted in the table above (a £415k decrease in spend), as an adjustment to the working budget (recommendation 2.2). Cabinet are also asked to approve the estimated impact on the 2024/25 budget, a £411k increase in budget that includes the request to carry forward £343k of unspent budget for specific projects next year (recommendation 2.3).

8.3. The original approved budget for 2023/24 (and therefore working budget) included efficiencies totalling £1.521million, which were agreed by Council in February 2023. Any under or over delivery of efficiencies will be picked up by any budget variances (table 3 above). However, there can be off-setting variances which mean that it is unclear whether the efficiency has been delivered. Where this is the case, this will be highlighted. The forecast at the end of Quarter Two was a net overachievement of £1.457million. The current forecast at the end of Quarter Three is a net overachievement of £1.367million. The decrease of £90k relates to;

- £74k reduction in the forecast interest income from investment of surplus cash balances being greater than identified in the efficiency proposal, which was based on the Investment Strategy 2023 - 2033, as highlighted and explained in table three above.
- £7k reduction in the £9k efficiency originally anticipated from the opening of Bancroft Kiosk (included in the other minor variances total in table 3). The shortfall is attributed to a combination of bad weather over the summer impacting turnover, particularly at weekends, and teething issues associated with the first year of operation.

- The additional £9k efficiency from a full year of letting Thomas Bellamy house will not be achieved (included in the other minor variances total in table 3). Officers are currently working on identifying the costs of getting the property into shape for a new letting. Options will then be considered once this is complete.
- 8.4. The working budget for 2023/24 includes budgets totalling £1.107million that were carried forward from the previous year. These are generally carried forward so that they can be spent for a particular purpose that had been due to happen in 2022/23 but was delayed into 2023/24. At Quarter Two, it was forecast that £228k of the budget carried forward will not be spent in this year. At Quarter Three it is forecast that £532k will not be spent in this year. The increase of £304k relates to budgets carried forward for:
- Housing Stock Condition Survey. £15k of the £20k budget carried forward will not be spent this year and has been requested to be carried forward again, as explained in the budget monitoring review at the end of November (Month 8) included in the Revenue Budget 2024/25 report.
 - Supplementary planning documents supporting the Local Plan. A total of £130k (£80k forecast at Quarter Two plus £50k forecast at Month 8) of the £167k carry forward budget is forecast to be unspent and has been requested to be carried forward again, as explained in the Month 8 budget monitoring review.
 - Town Centre Strategy Reviews. A total of £50k (£10k forecast at Quarter Two plus £40k forecast at Month 8) of the £80k budget carried forward will not be spent in this year and has been requested to be carried forward again, as explained in the Month 8 budget monitoring review.
 - Local Plan post adoption review. £20k of the £28k budget carried forward will not be spent in this year and has been requested to be carried forward again, as explained in the budget monitoring review included in the revenue budget 2024/25 report.
 - Transport User Forum. As explained in table 3 above, the £46k budget carried forward will not be spent on Forum activities in this year, with £40k reallocated to fund consultants required in relation to the Luton Airport expansion and the remaining £6k requested to be carried forward again.
 - Staffing pressures. Of the £300k carried forward from 2022/23 a total of £133k will not be spent in 2023/24 and is requested to be carried forward. This is comprised of the estimated £78k cost of the temporary additional Service Director capacity and £20k cost of the additional elections support falling in next year, as well as a contract liability of £35k remaining for the higher-level apprentice, as noted in table 3 above.
- 8.5. Six corporate 'financial health' indicators have been identified in relation to key sources of income for the Council in 2023/24. Table 4 below shows the performance for the year. A comparison is made to the original budget to give the complete picture for the year. Each indicator is given a status of red, amber, or green. A green indicator means that they are forecast to match or exceed the budgeted level of income. An amber indicator means that there is a risk that they will not meet the budgeted level of income. A red indicator means that they will not meet the budgeted level of income.
- 8.6. At the end of Quarter Two, two of the indicators were green, one indicator was amber, and three of the indicators were red. At the end of Quarter Three, two of the indicators are green and four are red. In respect of the red indicators for Leisure management fee income and car parking fees, provision amounts of £80k for Leisure and £100k for parking fees were included in the budget at the start of the year to recognise that variances in these income streams were more likely due to the ongoing recovery following the Covid-19 pandemic.






- 8.7. The status of income from planning applications has changed from amber at Quarter Two to red at Quarter Three. A £150k shortfall in income from planning applications in 2023/24 was identified and explained in the revenue monitoring included in the Revenue Budget 2024/25 report.
- 8.8. The projected outturns for both planning income and garden waste service income are lower than the actual income recorded to date because the projections include the estimated impact of the accounting adjustments required at the end of the financial year. The final planning income total will capture only those fees received from applications resolved during 2023/24, while the waste income total will only reflect the proportion (around one third) of garden waste income receipts received in this year for the current 18-month garden waste subscription period for collections provided in this financial year.

Table 4 - Corporate financial health indicators

Indicator	Status	Original Budget £k	Actual to Date £k	Projected Outturn £k	Variance £k
Leisure Centres Management Fee Income	Red	(599)	(518)	(533)	66
Garden Waste Collection Service Subscriptions	Green	(1,140)	(1,917)	(1,140)	0
Commercial Refuse & Recycling Service Income	Red	(1,269)	(968)	(1,245)	24
Planning Application Fees (including fees for pre-application advice)	Red	(1,008)	(1,114)	(858)	150
Car Parking Fees	Red	(2,026)	(1,347)	(1,870)	156
Parking Penalty Charge Notices (PCNs)	Green	(573)	(542)	(743)	(170)

- 8.9. Table 5 below indicates current activity levels, where these drive financial performance, and how these compare to the prior year to indicate the direction of current trends. As performance against the planning applications fee income budget is generally determined by the number of large applications resolved in the year (rather than the total number of applications received), and this distinction is not captured in the data available, this indicator is omitted from table 5.

Table 5 - Corporate financial health indicators – activity drivers

Indicator	Activity Measure	Performance to Q3 2023/24	Performance to Q3 2022/23	Percentage Movement	Direction of Trend
Leisure Centres Management Fee	Number of Leisure Centre visits	1,199,889	1,083,908	+10.7%	
Garden Waste Collection Service	Number of bin subscriptions at end of quarter	30,413	27,920	+8.9%	
Commercial Refuse & Recycling Service	Number of customers	1,035	1,013	+2.2%	
Car Parking Fees	Car park tickets sold / average ticket price sold	861,959 / £1.70	855,931 / £1.63	+0.7% / +4.3%	
Parking Penalty Charge Notices	Number of PCNs issued	11,510	10,202	+12.8%	

FUNDING, RISK AND GENERAL FUND BALANCE

- 8.10. The Council's revenue budget is funded primarily from Council Tax and Retained Business Rates income. The Council was notified by Central Government in February 2023 of the amount of New Homes Bonus and Services Grant it could expect to receive in 2023/24 and planned accordingly.
- 8.11. Council Tax and Business Rates are accounted for in the Collection Fund rather than directly in our accounts, as we also collect them on behalf of other bodies. Each organisation has a share of the balance on the Collection Fund account. The Council will receive in this year its share of the Council Tax and Business Rates Collection Fund surpluses for the prior year, as estimated in January 2023. As reported previously, this means contributions to the General Fund of £138k from the Council Tax Collection Fund and £452k from the Business Rates Collection Fund. While the Council Tax surplus amount of £138k is included in the funding total in table 7, the business rates surplus will be transferred to reserve and used to mitigate the impact of deficits recorded, and/or changes to the rates retention scheme, in future years.
- 8.12. The Council's share of the Council Tax Collection Fund is forecast to be a deficit balance of £24k at the end of the year. A contribution of £24k will be transferred from the General Fund to the Collection Fund in the next financial year and this will therefore reduce the amount of Council Tax funding available in 2024/25, as was shown in Appendix C to the Revenue Budget 2024/25 report. Any difference between this forecast and the actual position recorded at the end of the financial year will affect the calculation of the surplus / deficit position for 2024/25 and therefore impact the level of Council Tax funding available in 2025/26.
- 8.13. The current forecast for the Council's share of the Business Rates Collection Fund at the end of the year, as declared in the NNDR1 return submitted to Government in January, is an overall surplus position of £416k. As explained previously, this is primarily due to the actual surplus recorded for 2022/23 being £1.276m higher than was estimated in January 2023. The in-year position is therefore a forecast deficit of £860k. The increase of around £500k in the forecast in-year deficit since the quarter 2 forecast deficit of £300k is due to an increase in the estimated cost of appeals calculated in January, with information received from the Valuation Office (VOA) indicating an increase in the number of challenges lodged with the VOA. Similar to the Council Tax Collection Fund, the surplus amount of £416k will be transferred to the General Fund in the next financial year and any difference with the final outturn for 2023/24 will affect the following financial year's calculated surplus / deficit position.
- 8.14. The Council must pay a business rates tariff to central government as its income from business rates is higher than the level of its assessed funding need, as determined by central government. For 2023/24, the tariff amount was set at £15.3million. However, with a new business rates revaluation effective from April 2023, the Government has sought to ensure that, as far as practicable, a local authority's retained business rates income is no more or no less than it would have been had the revaluation not taken place, as the outcome of the revaluation and the consequent impact on rates income is outside of the Council's control. This is to be achieved through adjusting the tariff amount payable to government. For North Herts Council, this adjustment was confirmed as a £245k reduction in tariff in the Local Government Finance Settlement for 2024/25. While the cash benefit to the Council will materialise in 2024/25, with the government reducing the tariff payment schedule amounts in 2024/25, the required accounting for the reconciliation adjustment in 2023/24 means that the tariff amount chargeable to the Council's General Fund in 2023/24 will be £245k less than the tariff amount notified in the Local Government Finance Settlement in February 2023. This will reduce the amount of grant held in reserve needed to be transferred to the General Fund at the close of the year.

- 8.15. The Council is also subject to a business rates levy from Central Government as it collects more in business rates than the baseline level determined by Central Government. The current forecast for 2023/24 is a business rates levy liability of around £800k at the end of the financial year. The final amount payable however will depend on the actual level of business rates income collected during the year. In any case, the business rates levy payable for 2023/24 will be funded from grant held in reserve and as such will have a net zero impact on the General Fund balance at the end of the year.
- 8.16. The Council receives compensation in the form of a grant from Central Government for business rate reliefs introduced, which goes into our funds rather than the Collection Fund. The final amount of grant the Council can retain depends on the actual level of reliefs applied during the year. The Council currently expects to retain a grant total of £4.659m for reliefs in 2023/24, which includes an amount of £482k received as compensation for the Government's previous decisions to cap the increases in the business rates multiplier. The multiplier compensation is included in the funding total in table 6 below. The rest of the grant received is held in reserve. Some of the amount held in reserve will be used to fund the business rates levy payable for this year, while a further amount of around £2million will be used to top up the business rates income charged to the General Fund in 2023/24 to the baseline funding amount anticipated when the budget was set. In addition, as shown in table 7 below, there is the planned release of £1.144million from the reserve to the General Fund in 2023/24 to bridge the funding gap anticipated when the budget was set, as explained originally in the MTFs 2023-2033.
- 8.17. The Council does not expect to receive non-ringfenced emergency grant funding from government in 2023/24 to help mitigate the ongoing financial impacts of the Covid-19 pandemic. As detailed in the 2023/24 Revenue Budget Report presented to Full Council in February, a central provision of £450k was included in the budget for 2023/24. As detailed in the monitoring reports at Quarter One and Quarter Two, the forecast financial impact in this year is £479k, exceeding the provision made in the budget by £29k.
- 8.18. Table 6 below summarises the impact on the General Fund balance of the position at Quarter Two detailed in this report.

Table 6 – General Fund impact

	Working Budget	Projected Outturn	Difference
	£k	£k	£k
Brought Forward balance (1st April 2023)	(11,990)	(11,990)	-
Net Expenditure	17,103	16,688	(415)
Funding (Council Tax, Business Rates, NHB, Services Grant)	(17,394)	(17,394)	0
Funding from Reserves (including Business Rate Relief Grant)	(1,144)	(1,144)	0
Carried Forward balance (31st March 2024)	(13,425)	(13,840)	(415)

- 8.19. The minimum level of General Fund balance is determined based on known and unknown risks. Known risks are those things that we think could happen and we can forecast both a potential cost if they happen, and percentage likelihood. The notional amount is based on multiplying the cost by the potential likelihood. The notional amount for unknown risks is based on 5% of net expenditure. There is not an actual budget set aside for either of these risk types so, when they occur, they are reflected as budget variances (see table 3). We monitor the level of known risks that actually happen, as it highlights whether there might be further variances. This would be likely if a number of risks come to fruition during the year. We also use this monitoring to

inform the assessment of risks in future years. The notional amount calculated at the start of the year for known risks was £1,215k, and at the end of the third quarter a total of £427k has come to fruition. The identified risk realised in the third quarter relates to:

- Legal costs in relation to Environmental Health enforcement (included in other minor variances on table 3) - £19k.

Table 7– Known financial risks.

	£'000
Original allowance for known financial risks	1,215
Known financial risks realised in Quarter 1	(34)
Known financial risks realised in Quarter 2	(374)
Known financial risks realised in Quarter 3	(19)
Remaining allowance for known financial risks	788

9. LEGAL IMPLICATIONS

- 9.1. The Cabinet has a responsibility to keep under review the budget of the Council and any other matter having substantial implications for the financial resources of the Council. Specifically, 5.7.8 of Cabinet's terms of reference state that it has remit "*to monitor quarterly revenue expenditure and agree adjustments within the overall budgetary framework*". By considering monitoring reports throughout the financial year Cabinet is able to make informed recommendations on the budget to Council. The Council is under a duty to maintain a balanced budget and to maintain a prudent balance of reserves.
- 9.2. The recommendations contained within this report are to comply with the council's financial regulations with attention drawn to significant budget variances as part of good financial planning to ensure the council remains financially viable over the current fiscal year and into the future. Local authorities are required by law to set a balanced budget for each financial year. During the year, there is an ongoing responsibility to monitor spending and ensure the finances continue to be sound. This means there must be frequent reviews of spending and obligation trends so that timely intervention can be made ensuring the annual budgeting targets are met.

10. FINANCIAL IMPLICATIONS

- 10.1. Members have been advised of any variations from the budgets in the body of this report and of any action taken by officers.

11. RISK IMPLICATIONS

- 11.1. 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. As outlined in the body of the report, the process of quarterly monitoring to Cabinet is a control mechanism to help to mitigate the risk of unplanned overspending of the overall Council budget.

12. EQUALITIES IMPLICATIONS

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2. For any individual new revenue investment proposal of £50k or more, or affecting more than two wards, a brief equality analysis is required to be carried out to demonstrate that the authority has taken full account of any negative, or positive, equalities implications; this will take place following agreement of the investment.

13. SOCIAL VALUE IMPLICATIONS

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

14. ENVIRONMENTAL IMPLICATIONS

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

15. HUMAN RESOURCE IMPLICATIONS

- 15.1. Although there are no direct human resource implications at this stage, care is taken to ensure that where efficiency proposals or service reviews may affect staff, appropriate communication and consultation is provided in line with HR policy.

16. APPENDICES

- 16.1. None.

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18. BACKGROUND PAPERS

- 18.1. None.