

**NORTH HERTFORDSHIRE DISTRICT COUNCIL**



14 February 2025

Our Ref Council 27 February 2025  
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To: The Chair and Members of North Hertfordshire District Council

**NOTICE IS HEREBY GIVEN OF A**

**MEETING OF THE COUNCIL**

to be held in the

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

on

**THURSDAY, 27TH FEBRUARY, 2025**

at

**7.30 PM**

Yours sincerely,

Jeanette Thompson  
Service Director – Legal and Community

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

## **Agenda** **Part I**

<b>Item</b>		<b>Page</b>
<b>1.</b>	<b>APOLOGIES FOR ABSENCE</b>	
<b>2.</b>	<b>MINUTES - 15 JANUARY AND 23 JANUARY 2025</b> To take as read and approve as a true record the minutes of the meeting of the Committee held on the 15 January and 23 January 2025.	5 - 46
<b>3.</b>	<b>NOTIFICATION OF OTHER BUSINESS</b> 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.	
<b>4.</b>	<b>CHAIR'S ANNOUNCEMENTS</b> <u>Climate Emergency</u>  The Council has declared a climate emergency and is committed to achieving a target of zero carbon emissions by 2030 and helping local people and businesses to reduce their own carbon emissions.  A Cabinet Panel on the Environment has been established to engage with local people on matters relating to the climate emergency and advise the council on how to achieve these climate change objectives. A Climate Change Implementation group of councillors and council officers meets regularly to produce plans and monitor progress. Actions taken or currently underway include switching to green energy, incentives for low emission taxis, expanding tree planting and working to cut food waste.  In addition the council is a member of the Hertfordshire Climate Change and Sustainability Partnership, working with other councils across Hertfordshire to reduce the county's carbon emissions and climate impact.  The Council's dedicated webpage on Climate Change includes details of the council's climate change strategy, the work of the Cabinet Panel on the Environment and a monthly briefing on progress.  <u>Ecological Emergency</u>  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.

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|-----------|--|--------------|
| <b>5.</b> | <b>PUBLIC PARTICIPATION</b><br>To receive petitions, comments and questions from the public.   |              |
| <b>6.</b> | <b>ITEMS REFERRED FROM OTHER COMMITTEES</b><br>6A) Cabinet – Budget 2025/26 (Revenue Budget and Investment Strategy) –<br><b>to be considered with Item 10.</b>  | 47 - 50      |
| <b>7.</b> | <b>COMMUNITY GOVERNANCE REVIEW - DRAFT PROPOSALS FOR<br/>PUBLIC CONSULTATION</b><br>REPORT OF THE DEMOCRATIC SERVICES MANAGER<br><br>To consider and agree the Draft Proposals for the second stage of public<br>consultation of the Community Governance Review.  | 51 - 140     |
| <b>8.</b> | <b>LEADERSHIP TEAM AND SENIOR MANAGEMENT RESTRUCTURE</b><br>REPORT OF THE HEAD OF PAID SERVICE<br><br>This report sets out proposed changes to the structure of the Council's<br>Leadership Team and Senior Management, to create additional capacity to<br>support the delivery of the Council Plan whilst also ensuring staff are<br>supported, work is delivered, and strategic leadership is provided.   | 141 -<br>158 |
| <b>9.</b> | <b>PAY POLICY STATEMENT 2025/26</b><br>REPORT OF THE SERVICE DIRECTOR – RESOURCES<br><br>This report sets out a draft Pay Policy Statement 2025/26 (Appendix 1) for<br>Council's consideration and approval in accordance with the requirements of<br>Section 38 of the Localism Act 2011 (the Act), associated guidance issued<br>under Section 40 of the Act, the Local Government Transparency Code 2015<br>and any other relevant legislation. | 159 -<br>168 |

- 10. BUDGET 2025/26 (REVENUE BUDGET AND INVESTMENT STRATEGY)** 169 -  
REPORT OF THE SERVICE DIRECTOR – RESOURCES 256

Cabinet recommends a budget for 2025/26 to Council for their consideration and approval.

- 11. COUNCIL TAX RESOLUTION 2025/26** 257 -  
REPORT OF THE SERVICE DIRECTOR – RESOURCES 268

The purpose of this report is to obtain approval for the Council Tax requirement and the overall Council Tax rates for the district of North Hertfordshire for 2025/26.

**12. QUESTIONS FROM MEMBERS**

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

**13. NOTICE OF MOTIONS**

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

# Public Document Pack Agenda Item 2

## NORTH HERTFORDSHIRE DISTRICT COUNCIL

### MINUTES

Meeting of the Council held in the Council Chamber, Council Offices, Gernon Road, Letchworth, Herts, SG6 3JF  
on Wednesday, 15th January, 2025 at 7.30 pm

**PRESENT:** Councillors: Clare Billing (Chair), Ian Albert, Daniel Allen, Amy Allen, David Barnard, Matt Barnes, Sadie Billing, Ruth Brown, Val Bryant, David Chalmers, Jon Clayden, Ruth Clifton, Mick Debenham, Elizabeth Dennis, Emma Fernandes, Joe Graziano, Dominic Griffiths, Keith Hoskins, Tim Johnson, Chris Lucas, Sarah Lucas, Ian Mantle, Nigel Mason, Bryony May, Caroline McDonnell, Ralph Muncer, Sean Nolan, Steven Patmore, Louise Peace, Vijaiya Poopalasingham, Sean Prendergast, Martin Prescott, Emma Rowe, Claire Strong, Tamsin Thomas, Tom Tyson, Paul Ward, Laura Williams, Alistair Willoughby, Stewart Willoughby, Claire Winchester, Dave Winstanley, Donna Wright and Daniel Wright-Mason.

**IN ATTENDANCE:** Anne Banner (Benefits Manager), Ian Couper (Service Director - Resources), Jo Dufficy (Service Director - Customers), Ian Fullstone (Service Director - Regulatory), Geraldine Goodwin (Revenues Manager and Data Protection Officer), Sarah Kingsley (Service Director - Place), James Lovegrove (Committee, Member and Scrutiny Manager), Anthony Roche (Managing Director), Nigel Smith (Strategic Planning Manager), Melanie Stimpson (Democratic Services Manager) and Jeanette Thompson (Service Director - Legal and Community), Julian Pye (Associate Director – Hyas Associates).

**ALSO PRESENT:**

At the commencement of the meeting approximately 35 members of the public, including registered speakers.

#### 64 APOLOGIES FOR ABSENCE

*Audio recording – 1 minute 43 seconds*

Apologies for absence were received from Councillors Michael Muir, Tina Bhartwas, Cathy Brownjohn, Caroline McDonnell, Vijaiya Poopalasingham, Rhona Cameron, Steve Jarvis, Sam Collins and Lisa Nash.

#### 65 NOTIFICATION OF OTHER BUSINESS

*Audio recording – 2 minutes 15 seconds*

There was no other business notified.

#### 66 CHAIR'S ANNOUNCEMENTS

*Audio recording – 2 minutes 21 seconds*

(1) The Chair advised that, in accordance with Council Policy, the meeting would be recorded.

- (2) The Chair reminded Members that the 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 that the normal procedure rules in respect of debate and times to speak will apply.
- (5) The Chair advised that 4.8.23(a) of the Constitution did apply to the strategic planning matters at this meeting (Referral 5A and Item 6). This did not apply to other items on the agenda. A comfort break would be held at an appropriate time, should proceedings continue at length.
- (6) The Chair advised of a change to the order of the Agenda and the Public Participation would be taken directly ahead of Agenda Item 6. The Chair also advised that referrals had been received from Cabinet. There was an additional Referral 5B regarding Decarbonisation of Leisure Centres, which would be considered as the last item of business.
- (7) The Chair advised that Agenda Item 7 had been deferred to the Council meeting on 23 January 2025.
- (8) The Chair advised that tickets were now available to purchase for her Civic Event and Awards 2025, being held on Friday 28 February 2025.
- (9) The Chair announced that Geraldine Goodwin, Revenues Manager, had been working at North Hertfordshire for 30 years, and extended her gratitude to Geri for her services to the Council.

The following Members paid tribute:

- Councillor Ian Albert
- Councillor Keith Hoskins
- Councillor Daniel Allen

Councillor Clare Billing, as Chair, proposed and Councillor Val Bryant seconded and, following a vote, it was:

**RESOLVED:** That the Council placed on record its sincere thanks and appreciation to Geraldine Goodwin for her long and valuable service to Local Government.

## 67 PUBLIC PARTICIPATION

*Audio recording – 10 minutes 56 seconds*

The Chair invited Ms Karen Jay to speak on Agenda Item 6 – East of Luton Strategic Masterplan Framework. Ms Jay thanked the Chair for the opportunity and provided Council with a verbal presentation, including that:

- Developers had encroached the greenbelt.
- The plan had been presented as a done deal with no scrutiny of the content.

- The open space plans were flawed as up to 10,000 people could live on the site. The Masterplan outlines that there would not be enough open space for 5,000 people, therefore developers would land grab for extra space.
- Woodland on the site had been included as multifunctional open space.
- If the housing mix was known at this stage, then there would be a better idea of the expected population.
- 1,950 homes on this site were to meet the unmet needs of Luton.
- Affordable housing was a NHDC policy, but Officers had advised that this could not be included until the planning stage.
- There needed to be confidence that the developers would deliver homes and not claim unviability.
- Luton Borough Council had built 1,100 homes of which only 7 were affordable.
- The final Masterplan would set a design framework for future applications, but this is not the right version and would lead to over population, cramped houses, lack of open space and three storey buildings.
- Developers cannot build until the Masterplan had been adopted, therefore Members should either defer or reject this Masterplan.
- Data from Luton Borough Council showed this was not required for their needs and therefore a scrutiny review of the process should be undertaken.

There were no points of clarification from Members.

The Chair thanked Ms Jay for her presentation and invited Mr David Dorman to speak on Agenda Item 6 – East of Luton Strategic Masterplan Framework. Mr Dorman thanked the Chair for the opportunity and provided Council with a verbal presentation, including that:

- The Masterplan outlined that building heights on the site would be predominantly 2 to 2.5 storeys to reflect the surrounding area. However, a 3 storey building would tower over the edge of Luton.
- The school proposed at Chalk Hill would be 3 storeys and would be a blot on the landscape from the east.
- There were no improvements planned to Chalk Hill, which was currently a single track road. However, as schools would provide for the villages west of Hitchin, this would be a key access point to the school and needed rethinking.
- Space had been allocated for a GP surgery. However, this was subject to input from the relevant providers and there was no guarantee this would be provided on site. There were concerns raised that existing GP surgeries would not be able to cope with the additional demand.
- There was no employment provided on site and limited public transport, therefore people would have to use cars to travel and the road provision was inadequate.
- The plans propose lifestyle engineering, rather than good housing and infrastructure which supports the reality.
- Pedestrians would be prioritised under the Masterplan with schemes put in place to assist this, such as 20mph zones, reduced road width and reduced parking spaces.
- There were concerns for parking of visitors and emergency vehicles and more road safety measures would be needed.
- There remained questions as to why there was only one access point to the part of the site owned by the Crown Estate.
- Following an FOI request to Luton Borough Council, it had been confirmed that these houses were not required to meet the unmet needs of Luton, and this had been published on their website.

There were no points of clarification from Members.

The Chair thanked Mr Dorman for his presentation and invited Ms Carolyn Cottier to speak on Agenda Item 6 – East of Luton Strategic Masterplan Framework. Ms Cottier thanked the Chair for the opportunity and provided Council with a verbal presentation, including that:

- She had shared plans and maps with Members ahead of the meeting.
- There were several areas which potentially had historical significance, such as a medieval site, a blacksmith, neolithic and bronze age artifacts and ancient enclosures and woodlands.
- She had provided LIDAR images which highlighted burrows in a corner of the site where the primary school was proposed.

In response to a question from Councillor Val Bryant, Ms Cottier advised that some areas of the site were not in the direct historic record, and this needed to be updated. The study of Brick Hill did not cover all the site, and one remaining field would need to be looked at. This needed to be done at the Masterplan stage to avoid any risk of challenge due to non-consideration of the historic environment.

The Chair thanked Ms Cottier for her presentation and invited her to speak again on Agenda Item 6 – East of Luton Strategic Masterplan Framework. Ms Cottier thanked the Chair for the opportunity and provided Council with a verbal presentation, including that:

- The Luton Airport enterprise zone, which had additional rights granted by Luton Borough Council, overlapped part of the site and was highlighted in maps provided to Members.
- The housing site overlapped into Luton Airport Development Consent Order (DCO) area, which was currently being examined by the Secretary of State.
- Phase 1B, which included a school and roundabout, was part of the DCO site.
- Wigmore Valley Park also had an enterprise zone decision which was in place and was required for part of the development.
- Due diligence had not been completed for the Masterplan to be adopted.

There were no points of clarification from Members.

The Chair thanked Ms Cottier for her presentation and invited Mr Sunny Sahadevan, of Luton Borough Council, to speak on Agenda Item 6 – East of Luton Strategic Masterplan Framework. Mr Sahadevan thanked the Chair for the opportunity and provided Council with a verbal presentation, including that:

- He was the interim Service Director at Luton Borough Council responsible for this area.
- Luton Borough Council supported the assessments in the Masterplan and consider it beneficial to both Luton Borough Council and NHDC.
- It was a well thought out plan and the applicants had included Luton Borough Council Officers in discussions.
- The official position was that Luton does not have a 5 year land supply and when the NHDC Local Plan was adopted, the land supply position was better. When the Plan was considered by the Inspector, it was on the basis that some land would be to support the unmet need of Luton Borough Council.
- A recent assessment in October 2024 highlighted that Luton had only a 3.36 5-year land supply.
- The NPPF was amended in December 2024 and Luton had not yet outlined the official position, but there was not likely to be much change.
- Luton Borough Council had been reviewing their adopted Local Plan and were in the process of examination of a new Local Plan, which was out for consultation.
- If there were concerns from government regarding this arrangement, these would have been raised by this point in the process.



The following Members asked questions:

- Councillor Ralph Muncer
- Councillor David Barnard
- Councillor Jon Clayden
- Councillor Joe Graziano
- Councillor Martin Prescott

In response to questions, Mr Sahadevan advised that:

- Both historically and currently Luton required family housing units, as there was an oversupply of 1-bedroom and studios. This was down to historic Class O approvals which meant the market was flooded with smaller units.
- The oversupply of smaller units was the case when the NHDC Local Plan was examined and was why Luton was considered to have an unmet need.
- The benefits of the development to NHDC would have been considered at the examination stages and considered through the NHDC adoption process.
- He was confident that during the production of the plan, the Luton Enterprise Zone would have been considered by Officers.
- There was a national shortage of affordable housing and Luton was no different. There had been a struggle to ensure affordable housing was included in new developments and, whilst some has been achieved, it was not enough.
- It was for NHDC and the developers to consider the appropriate level of affordable housing on site. Luton Borough Council would support as much as could be delivered and this would be agreed at application stage.
- The official Luton Borough Council position was that the needs could not be met within the borough, and other figures may be available, but he could not comment on the calculation process of these.
- There was a question mark over the future of the Vauxhall site in Luton, but this was not finalised.
- The new Luton Local Plan was being consulted on and comments were being received, including from neighbouring authorities. The expected adoption of this was 2029, so there was a need to deal with the current situation before this.
- Luton Borough Council had not been required to appear before Members as part of this Masterplan process, but they had responded to letters from MPs, pressure groups and Parish Councils when approached.
- The Inspector had concluded that the NHDC Local Plan was sound before adoption, with the East of Luton site included. The Luton Borough Council position had not improved since this adoption and therefore it would appear that the inclusion of this site is justified.
- The market housing on site would be available to all residents, with the affordable housing being used to help meet the unmet needs of Luton.
- Any potential unmet need of NHDC would be more reason to support this site being progressed.

The Chair thanked Mr Sahadevan for his presentation and invited Mr Jonathan Dixon, Ms Silvia Lazzerini, Mr David Joseph and Mr Thomas Parfitt to speak on Agenda Item 6 – East of Luton Strategic Masterplan Framework. They thanked the Chair for the opportunity and provided Council with a verbal presentation, including that:

- They represented the landowner and developer team.
- They had worked with Officers from NHDC, Luton Borough Council, Herts County Council and various other stakeholders, including schools, Parishes and residents, to develop the Masterplan.
- The Statement of Community Involvement, which detailed 3 years of discussions, was published alongside the Masterplan.

- Whilst some still objected, there was an agreement to differ on opinion, but to collaborate on the Masterplan.
- They wanted to acknowledge the input from all parties which had helped to develop a greater understanding of the site and the proposals.
- Subject to approval of the Masterplan, they would continue to work with the community to keep conversations going as the details were further outlined in the planning process.

The following Members asked questions:

- Councillor Ruth Brown
- Councillor Paul Ward
- Councillor Ralph Muncer
- Councillor Dominic Griffiths
- Councillor Matt Barnes
- Councillor Joe Graziano
- Councillor David Barnard

In response to questions, Mr Dixon, Ms Lazzerini, Mr Joseph and Mr Parfitt advised that:

- Some plans were confusing over land allocation, with some red lines around field parcels which made it difficult to establish what was included. There was some trespass, with minor incursions into hedges.
- There was an agreed position with Luton Rising to allow access and agree the process for doing this, which had been included on the NHDC website.
- There were proposed sports pitches to the northern side of the allocation, which was outside of the allocation, but was not incompatible with greenbelt use. They had considered the best place for the playing fields and this area was agreed. It would be controlled by Luton Borough Council on North Herts land, but Sport England felt this was a good provision.
- The site had two principal points of access and relied on Chalk Hill as a third minor access point, as the gravity of the traffic demand would be towards Luton.
- There was expected to be a degree of self-containment of the school, with most students coming from the site itself. There would be some mitigations to Chalk Hill which would make it suitable for access.
- The strategic Masterplan had been developed from the original application submission. Cultural Heritage was covered on pages 42 and 43 of the Masterplan and had been explored in the same detail as all other considerations within the Masterplan.
- The entire site had been subject to desktop, geophysical, human walkover and trial trenching assessments as required and this had summarised that no evidence of remains would preclude development.
- One side of the site was on the urban edge of Luton and the other rural Hertfordshire. There were two lanes into the rural Hertfordshire area, but the main arterial road out of Luton would be the primary points of access. This had been reviewed and considered as part of the development of the Masterplan.
- The Masterplan outlined that active travel would be prioritised on site and whilst existing infrastructure in Luton did not encourage this, improvements would be made to existing cycling and walking routes.
- There was a new bus service proposed from the site to key locations in Luton and all residents on site would be within 400m of a bus stop.
- The developer was continuing to work with the relevant authorities to get a firm commitment on health provision on site and this would be delivered as soon as possible. The space and site of a surgery had been allocated within the Masterplan.
- Consideration of building height on site was difficult, as it could be measured in stories or height from ground. It was not planned to have 3 storey buildings across the site, but should an innovative design solution be presented then this could be considered at the planning stage.

- The average number of people per home had been established considering figures from both North Herts and Luton and there was roughly twice as much greenspace provision for this number than required by planning policies.
- They had held discussions with Officers at Herts County Council Highways regarding the road access.
- They were aware of some flooding issues on the roads towards North Herts and engineers had planned mitigations for this.
- Access to local services had been raised during engagement session as residents were split across North Herts residents and Luton residents. This consideration was not relevant to the Masterplan stage, but discussion were ongoing and would be confirmed as part of the planning process.
- The primary change to the Masterplan made from the consultation was with regard to the principle of integration of the development with existing areas. The original plan did not contain a green corridor between the site and villages, and this was raised by the Parish Council and had been address by including a 45m green corridor between the two sites. Other changes to schools and roads following the consultation were made and outlined in the report.

The Chair thanked Mr Jonathan Dixon, Ms Silvia Lazzerini, Mr David Joseph and Mr Thomas Parfitt for their presentation.

*N.B. During this item Councillor Elizabeth Dennis left the Chamber and returned at 20.48 and Councillor Dominic Griffiths left the Chamber and returned at 20.52*

*N.B. Following the conclusion of this item, there was a break in proceedings and the meeting reconvened at 21.10.*

## 69 EAST OF LUTON STRATEGIC MASTERPLAN FRAMEWORK

*Audio recording – 1 hour 40 minutes 08 seconds*

Councillor Daniel Allen, as Interim Executive Member for Planning and Transport, presented referral 5A from Extraordinary Cabinet and the report entitled 'East of Luton Strategic Masterplan Framework' and advised that:

- This report sought support for the East of Luton Masterplan to be a consideration in the planning process.
- The site was allocated for approximately 2,100 homes and infrastructure, including schools and a local centre.
- Council Officers and consultants had worked with the developers to produce the plans, with key plans and extracts from the Masterplan included in the report and a summary provided.
- There had been a thorough process in the preparation of this Masterplan and a number of changes had been made which were outlined in the report and summary.
- The Masterplan outlines how the Sustainability SPD requirements would be met, with 7 out of 8 areas set to achieve the silver rating and 1 gold rating.
- The site had primarily been identified to meet the housing needs of Luton Borough Council.
- A Masterplan was one stage of the planning and delivery of the site. It was a high level framework against which any schemes on the site can be considered.
- The request to approve the Masterplan sat between the adoption of the Local Plan, which had happened, and the planning applications, which were yet to happen.
- There were no new decisions to be made on the principle of development or wider matters which may be considered in the future.
- All Members had been invited to a briefing by Council Officers on the Masterplan.

The Strategic Planning Manager provided a visual presentation of site plans and advised that:

- The Masterplan had been produced in collaboration with the developers who had spoken at this meeting and with support from Herts County Council Officers on highways and education.
- The site was included in the adopted Local Plan.
- Consideration of whether an unmet housing need existing in Luton was not for the Masterplan stage.
- Housing provided for Luton would be included in the North Herts supply total.
- The Masterplan would provide a framework for different applications to be brought forward by different developers at different times, whilst maintaining consistency across the site.

The Associate Director of Hyas Associates provided a visual presentation of site plans and advised that:

- Hyas had worked with Officers for 3 years on the project and had a huge amount of knowledge and experience of supporting Councils with projects like this on a national level.
- There were two key landowners of the site, Bloor Homes, which owned 66%, and the Crown Estate, which owned 25%. The remaining 9% was owned by ATO Holdings.
- Previous applications which had been submitted were considered but had been revised and updated in the Masterplan process.
- The Masterplan established an appropriate framework for the site, which pulled together landowners and allowed for a holistic approach to the wider site.
- Over a number of years, several parties may be involved in this development and this document would be a material consideration for all applications received for the site, if adopted.
- Not all planning considerations were covered within the Masterplan, as this was not required, but it provided a starting point for the scheme.
- A bespoke design review panel, including national experts, had provided challenge to the scheme, roughly 18 months ago.
- There were primary schools, a secondary school, a local centre and a neighbourhood centre provided in the plans.
- It was important to consider the pattern of movement and provide people with the opportunity to walk to places and ensuring the structure of the development supported this.
- Site typography and characteristics had been considered.
- There had been a focus on how existing landscape could be used within the development of housing around it.
- The playing fields would sit next to Wandon Park and was considered suitable use for greenbelt land and access to this would be open to all residents.
- The primary movement and arterial routes into the site were outlined in the Masterplan.
- Multimodal access to the site had been considered and it was important the foot and cycle paths were located correctly to provide residents the opportunity to walk. In previous developments this had not been considered and therefore the infrastructure was not provided to support this.
- There were at least 6 points of connectivity to Luton and it was important to ensure new footpaths accorded with existing footpaths and accessed the existing facilities residents may need.
- Phase 1A and 1B would provide the main access to the site and 2A would be the first development, including the primary school and local centre. For facilities to be viable on site, people needed to live there to use them.
- There would be further opportunities for consideration of and revisions to the Masterplan, should suitable plans not be brought forward.

*N.B. Councillor Dominic Griffiths left the Chamber at 21.44 and did not return.*

The following Members asked questions:

- Councillor Ruth Brown
- Councillor Tom Tyson
- Councillor Sean Nolan
- Councillor Jon Clayden
- Councillor Ralph Muncer
- Councillor Claire Strong

In response to questions, the Strategic Planning Manager and the Associate Director advised that:

- The principal access to and from the site were included on the plans.
- Given the nature and size of the site, and that it would be developed by different parties, it was not relevant to provide a housing mix at this stage, but it did set out assumption of what is appropriate mix and density, and what this might mean in terms of delivery.
- Existing cycling and walking infrastructure into North Herts had been considered and mapped out through the process, and detail was provided on where rights of way ran through the site and where possible enhancements could be made to these.
- The housing numbers would contribute to North Herts overall housing delivery and the Inspector had agreed this was sufficient to meet demand.
- A 4-form entry school was advised by Herts County Council as being appropriate for this site alone and admission rules were location specific. The residents on this site, and in existing villages, would have access to the school before any residents further away.
- The Masterplan provided the opportunity for character to be established for the whole site. It analysed existing villages and aspects of form, but the detail would be confirmed during the application process.
- The Masterplan considered character areas, however it was incumbent on the planning authority to manage the quality of the outcome.

Councillor Daniel Allen proposed and Councillor Val Bryant seconded to approve the recommendation.

Councillor Steven Patmore advised that he was a Parish Councillor at Offley and Cockernhoe Parish Council, however had taken no part in discussions on this item as part of the Parish Council business. He had sought advice from the Monitoring Officer, who had advised that he could participate in the debate and vote on this item.

*N.B. Councillor Emma Rowe entered the Chamber at 21.59.*

The following Members took part in the Debate:

- Councillor David Barnard
- Councillor Laura Williams
- Councillor Ruth Brown
- Councillor Ralph Muncer
- Councillor Joe Graziano
- Councillor Alistair Willoughby
- Councillor Sadie Billing
- Councillor Claire Strong
- Councillor Daniel Wright-Mason

Points raised during the Debate included that:

- There was evidence that there was not an unmet housing need from Luton Borough Council, which was the primary reason for the site. Therefore the greenbelt would be decimate unnecessarily.
- The small roads into North Herts would not be suitable to deal with the traffic coming from the site, with issues around size and flooding.
- It was easy to visit recent developments and spot the ones without a Masterplan in place.
- This decision was not about planning permission, but a strategic overview to collaborate with developers and set in place guidelines for development.
- A vote against the Masterplan would not prevent houses being built but would remove the protections provided in the Masterplan.
- There was a vast amount of public feeling against the development of these sites. However, this decision was not about the principle of development due to the site allocation within the adopted Local Plan.
- Adoption of this Masterplan would ensure the best possible outcomes can be achieved.
- With three separate landowners, applications could come forward in different stages, and the Council had previous experience of developments without a Masterplan in place.
- The sustainability standards proposed as part of the Masterplan were excellent.
- There were concerns over some aspects, such as the small, rural lanes, but overall it was better to have a Masterplan in place.
- Councillors were required to do what was best for North Herts residents, not those in other districts or boroughs.
- The question of the unmet need in Luton still remained unanswered. Contributions tonight said that there was an over supply of 1 and 2-bed dwellings, but 50% of plans for this site were for 1 and 2-bed dwellings, so these would not meet the needs of Luton.
- There was a need for further engagement with Luton Borough Council and other stakeholders and adoption of the Masterplan should await the Local Plan review and until Luton could provide further information.
- The development would end up being isolated by looking to Luton, but being within North Herts.
- Chalk Hill was not suitable for the number of vehicles expected, especially with any airport expansion, and a connection to the A505 was required.
- There was no commitment provided from the developer or NHS to provide healthcare on site.
- There was only a rural bus service currently, which was not suitable to provide for the needs of the new residents.
- Serious questions needed to be addressed, some could be dealt with at planning application stage, but need further clarification was needed for some points raised.
- Some existing North Herts residents may want to move into this site to remain in Hertfordshire, where otherwise they may be forced to move out of the county.
- There was a need for homes everywhere and it could not be about our needs against others needs.
- The adopted Local Plan had been developed by the Conservative administration.
- Any applications for development would be brought to the Planning Control Committee. This vote was not about stopping development, but about shaping it to ensure it aligns with the vision and community of North Herts.
- Without a Masterplan the Council would lose the ability to guide the process and developers would take charge. Supporting it would ensure the Council had protection and representation in the process.
- One of the most important developments from the Masterplan process was the introduction of a buffer zone between this site and the existing villages, which would provide protection and had been requested by the Parish Council.
- Concerns around height and look would be dealt with at the application stage.
- The Masterplan provided enhancements to existing woodland and the connectivity of green corridors.

- There was a large amount of objection to development at all, but this was not for consideration at this stage.
- If built, a robust Masterplan must be in place to provide the framework to ensure the development was the best it could be and without one the good aspects, such as the buffer zone, may be lost.
- The secondary school would be small, but is for the development and it was not expected to serve the wider area, with existing villages west of Hitchin already accessing Hitchin schools.
- A Masterplan would not stop a planning application, the applications would come anyway.
- It was disappointing to hear some comments on the 'housing need' which was a national issue.

In response to points raised in the Debate, Councillor Daniel Allen responded that:

- This Masterplan would ensure the best future for the development.
- Without the Masterplan, the development would likely still go ahead but the good aspects included within it would be lost.
- Planning Control Committee would determine final detailed aspects of the development, not the Masterplan.
- It was important for the Council to adopt the Masterplan to ensure to adopted Local Plan was implemented in the right way.

Having been proposed and seconded and, following a vote, the result was as follows:

YES: 31  
ABSTAIN: 1  
NO: 6  
TOTAL: 38

The individual results were as follows:

Cllr Ian Albert	YES
Cllr Amy Allen	YES
Cllr Daniel Allen	YES
Cllr David Barnard	NO
Cllr Matt Barnes	YES
Cllr Clare Billing	YES
Cllr Sadie Billing	YES
Cllr Ruth Brown	YES
Cllr Val Bryant	YES
Cllr David Chalmers	YES
Cllr Jon Clayden	YES
Cllr Ruth Clifton	YES
Cllr Mick Debenham	YES
Cllr Elizabeth Dennis	YES
Cllr Emma Fernandes	YES
Cllr Joe Graziano	NO
Cllr Sarah Lucas	YES
Cllr Keith Hoskins	
Cllr Tim Johnson	
Cllr Chris Lucas	NO
Cllr Ian Mantle	YES
Cllr Nigel Mason	YES
Cllr Bryony May	YES
Cllr Ralph Muncer	NO
Cllr Sean Nolan	YES
Cllr Steven Patmore	NO

Cllr Louise Peace	YES
Cllr Sean Prendergast	YES
Cllr Martin Prescott	NO
Cllr Emma Rowe	
Cllr Claire Strong	ABSTAIN
Cllr Tamsin Thomas	YES
Cllr Tom Tyson	YES
Cllr Paul Ward	YES
Cllr Laura Williams	YES
Cllr Alistair Willoughby	YES
Cllr Stewart Willoughby	YES
Cllr Claire Winchester	YES
Cllr Dave Winstanley	YES
Cllr Donna Wright	YES
Cllr Daniel Wright-Mason	YES

As such it was:

**RESOLVED:** That the Strategic Masterplan Framework for the land East of Luton (Local Plan sites EL1, 2 & 3), attached at Appendix A, is approved and adopted as a material planning consideration for relevant planning decisions relating to the site.

**REASONS FOR DECISION:**

- (1) To set an agreed design framework for the delivery of a strategic site within the Council's adopted Local Plan.
- (2) To accord with policy requirements of the Local Plan.

*N.B. Following the conclusion of this item, Councillor Ruth Clifton left the Chamber and did not return.*

*N.B. Following the conclusion of this item, Councillor Ralph Muncer and Councillor David Barnard left the Chamber and returned at 22.24.*

**70 CONSTITUTIONAL AND GOVERNANCE REVIEW - Deferred from 28 November 2024**

*Audio recording – 2 hours 50 minutes 22 seconds*

The Chair advised this item had been deferred to the meeting of Full Council on 23 January 2025.

**71 APPOINTMENT OF REPLACEMENT RESERVE INDEPENDENT PERSON**

*Audio recording – 2 hours 52 minutes 21 seconds*

Councillor Alistair Willoughby, as Chair of the Standards Committee, presented the report entitled 'Appointment of Replacement Reserve independent Person' and advised that:

- Council was required to have at least one additional Independent Person, and ideally more than one, as this was required where the Independent Person was unavailable or could not consider a matter due to personal interests.
- The previous Reserve had been appointed at Council in September 2024 but resigned shortly after this appointment.
- The proposed appointee met the requirements of the role and would be appointed for 2 years, with the potential to extend this by a further 2 years.



As part of the Debate, Councillor Ruth Brown endorsed the recommendation to approve this Reserve Independent Person and although regrettable someone resigned, Ms Hui would bring a different experience and background to the role to strengthen the team.

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

**RESOLVED:** That Council:

(1) Appointed Ms Wai Bing Hui as Reserve Independent Person.

*N.B. such appointments/ confirmation of continuing appointments under 2.1 be for a fixed term of up to 4 years from 16 January 2025, based on 2-years, with delegation to the Monitoring Officer, in consultation with the Chair and Vice Chair of Standards Committee to extend for a further 2-years.*

(2) Delegated to the Monitoring Officer in consultation with the Chair and Vice Chair of Standards Committee, the decision (if the current Independent Person decides within term to resign/unable to act/no longer qualifies), to appoint one of the existing Reserve Independent Persons as the Independent Person and/or to undertake any further recruitment, as may be required.

**REASON FOR DECISION:** To ensure that the Council's Standards processes can operate in accordance with legislative requirements if one or both IP and Reserve IPs are unable to advise on a matter. This should also allow for a degree of succession planning/ training whilst experienced persons are in place.

## 72 ELECTORAL SCALE OF FEES

*Audio recording – 2 hours 56 minutes 16 seconds*

*N.B. The Democratic Services Manager and Monitoring Officer left the Chamber for the duration of this item, due to their roles as Returning Officer and Deputy Returning Officer respectively.*

The Service Director – Resources presented the report entitled 'Electoral Scale of Fees' and advised that:

- The reasons for the proposed increase in fees were detailed at Section 8 of the report.
- The focus had been on the lower paid roles and ensuring that the National Living Wage was maintained.
- Presiding Officers were required to run Polling Stations and the fees needed to reflect the value of this role, as well as take into account fees paid by neighbouring authorities.

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

**RESOLVED:** That the Council agreed the Scale of Fees for 2025/26 as set out in Appendix A.

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

*N.B. Following the conclusion of this item, the Democratic Services Manager and Monitoring Officer returned to the Chamber.*

**73 NOMINATION OF A REPRESENTATIVE ON PARKING AND TRAFFIC REGULATIONS OUTSIDE LONDON (PATROL) ADJUDICATION JOINT COMMITTEE**

*Audio recording – 2 hours 59 minutes 34 seconds*

The Democratic Services Manager presented the report entitled 'Nomination of a Representative on Parking and Traffic Regulations Outside London (PATROL) Adjudication Joint Committee' and advised that the Council was required to reappoint a nominee for this Outside Organisation, following the resignation of the former appointee, Chris Hinchliff.

Councillor Val Bryant proposed and Councillor Ian Albert seconded and it was:

**RESOLVED:** That Council nominated Councillor Daniel Allen to the outside organisation the Parking and Traffic Regulations Outside London Adjudication Joint Committee (PATROL).

**REASONS FOR DECISION:** To comply with the provision of Standing Order 4.8.2(j) of the Council's Constitution.

**74 NOTICE OF MOTIONS - Deferred from 28 November 2024**

*Audio recording – 3 hours 1 minute 23 seconds*

There was one motion submitted in accordance with Standing Order 4.8.12, which had been deferred from the meeting on 28 November 2024.

**(D) Impact of Family Farm Tax on Rural Communities in North Hertfordshire**

Councillor Ralph Muncer proposed the motion as follows:

In the Autumn Budget, the Chancellor of the Exchequer announced reforms to Agricultural Property Relief (APR) and Business Property Relief (BPR) from inheritance tax.

Currently, APR and BPR are available at a rate of 100% or 50% (based on eligibility criteria) with no cap to the total amount of relief. However, from April 2026 as a result of the Labour Government's policy, inheritance tax relief for business and for agricultural assets will be capped at £1 million, with a tax rate of 20% being charged above that.

HM Treasury has said that 73% of APR claims are below £1 million and so would be unaffected by this policy however, the National Farmers Union have highlighted figures from the Department for Environment, Food and Rural Affairs indicating that the true percentage of farms affected by the APR changes will be 66%.

North Hertfordshire is a rural district with 76% of land classed as agricultural, and with farming providing jobs for more than 2,500 people in Hertfordshire and contributing more than £160m to the economy of Hertfordshire and Bedfordshire, this policy will undoubtedly have a significant negative impact on the economy of rural communities across the district.

Not only does this policy present an existential threat to the families who have farmed the land in our communities for generations, and who had hoped to pass on their farm to the next generation, but with about 54% of food on the plates of people in North Hertfordshire being produced in the UK, this decision will significantly increase the cost of producing food, leading to higher food prices, as well as reduce British Food Security.

Therefore, Council resolves:

1. That the Leader of the Council writes to the Secretary of State for Environment, Food and Rural Affairs to outline the Council's dismay at this decision and calls on the Government to stop the Family Farm Tax.

2. That the Leader of the Council writes to the Member of Parliament for Hitchin, the Member of Parliament for North East Hertfordshire and the Member of Parliament for Stevenage, urging them support farmers and rural communities in North Hertfordshire by calling on the Government to reverse the Family Farm Tax.
3. That the Executive Member for Community and Partnerships engages with local farmers and representatives from rural communities on what Council can do to support them.
4. To instruct Officers who are writing the North Hertfordshire Economic Development Strategy to work to identify potential opportunities to strengthen and grow the economies of rural communities in North Hertfordshire.

Councillor David Barnard seconded the motion.

Councillor Ruth Brown proposed an amendment to the motion, as outlined in the reports pack, and advised that:

- She was broadly supportive of the motion, but it failed to recognise the challenging situation farmers found themselves in.
- Farmers were under the impression that Brexit would provide a better deal than within the EU. The Conservative government failed to manage the change, and the Labour government was making it worse.
- The primary role of farms was for food production and the payments offered fail to recognise this.
- Farming was an investment, which often meant farmers were asset rich and cash poor.
- £1m would buy on average 100acres, however this was short of the 300acres required for a viable commercial farm.
- Wealthy landowners should be targeted, but these proposals failed to address the issue.
- Good land management was required to provide sustainable food security for the country.

The amendment was seconded by Councillor Matt Barnes.

The following Members took part in the Debate on the amendment:

- Councillor Ralph Muncer
- Councillor Martin Prescott
- Councillor Matt Barnes

Points raised during the Debate included that:

- The amendment highlighted the cost of these changes to family farms and provided context around the economic challenge faced by farmers.
- The administration costs of this would outweigh the expected returns.
- The Liberal Democrats had been in government with the Conservatives during some of the last 14 years, during which farmers were supported with more helpful and valuable subsidies.
- The threshold was wrong and did not target the people expected.
- The 7 year rule on Inheritance Tax may have kicked in before farmers could take any action.
- The policy would create too many losers, with the number of farms affected could be 5 times higher than HMRC estimates.
- These proposals would hit a lot of farmers in Northern Herts, with farm land in this area costing roughly £10k per acre, before the costs of stock, machinery and maintenance.
- Margins for farms was low, usually around 1%, and even over 10 years no business can afford a tax level above its income, whilst maintaining its viability.
- The policy would ultimately lead to the splitting of farms and larger estates owned by rich landowners.

- The amendment would address the repeated blows to farming communities in recent years.
- The government cannot on one hand claim this policy is required for economic benefits, whilst also saying only a small number of farms would be affected.

Having been proposed and seconded and, following a vote, the amendment was **LOST**.

The following Members took part in the Debate on the original motion:

- Councillor Donna Wright
- Councillor Daniel Wright-Mason
- Councillor Emma Fernandes
- Councillor Alistair Willoughby
- Councillor Martin Prescott
- Councillor David Chalmers
- Councillor Nigel Mason
- Councillor Paul Ward
- Councillor Matt Barnes
- Councillor David Barnard
- Councillor Ralph Muncer

*N.B. Councillor Sadie Billing left the Chamber during the debate and returned at 23.07.*

Points raised during the Debate included that:

- There was farm relief of £1m, in addition to the £500k offered to others. Therefore, if a couple owned a farm, they would receive £3m in relief.
- Reforms would allow beneficiaries to continue to live in the house and pay instalments over 10 years.
- These changes would support the transition into a more productive and sustainable system.
- Agricultural land purchases were dominated by wealthy people, which was pushing out farmers and driving up prices. More than 50% of agricultural land bought was by non-farmers, with the tax relief on agricultural land being used more and more by wealthy people to avoid tax. It was not fair that a small pool of wealthy people could claim a significant amount of tax relief when others struggle.
- These changes would deter private investors from purchasing agricultural land.
- There were many ways in which farmers could be helped, but maintaining the current system was not appropriate.
- These changes closed a long criticised tax loophole and would be directly spent on public services.
- There was a need to fill the £22bn black hole and support hardworking families who had suffered over 14 years. This change was needed to pay into the system to rebuild public services.
- Farming was being abused by some who were cheating legitimate farmers out of potentially good land.
- Other support had been put in place for farmers, including £5bn to support sustainable food production.
- The deal with the EU and deals with countries around the world had harmed farmers and farming in the UK.
- It was not good for the wealthy to purchase land, and the law needed to catch up to ensure large landowners pay as much as everyone else. However, the numbers used by the Chancellor were wrong and not all landowners should be considered the same. This will end up targeting the small, hardworking, family farmers as the thresholds are too low.
- This was expected to raise £115m, less than 1% of all tax rises announced in the budget.

- North Herts was a rural community which relied on farmers who had suffered greatly, and Brexit deals had been detrimental to farmers.
- 1 in 25 farms closed last year and farm income was lower last year than ever before. The Basic Payment Scheme will be reduced by 76% next year. With all this, something needed to be done to support farmers and there were other ways in which tax could be increased. Cuts needed to be thought through, if the government was going to support farmers to sustainability feed the country.
- The motion focussed on family farms, but large portions of farmland were owned by wealthy people, with some 10k acres of farmland in south North Herts being owned by one organisation.
- The money could be used to support rural bus services, provide affordable housing to rural areas and improve health and education services.
- The selection of targets for this policy was wrong and patches have been put in place to mitigate against this bad solution.
- There was a desire for wealth landowners to pay more tax, but this policy went too far and was not targeted enough. There was a need for reconsideration.
- There had not been consideration given to tenant farmers, who won't be directly impacted by this tax, but will feel the knock on effect of the landowner.
- Partnerships with farmers was needed, but instead of encouraging investing in rural areas, farmers will be saving to pay the inheritance tax bill. The government needed to set out positive vision for farming.
- Farming and food production was vital to rural economies, as it provided employment opportunities.
- Farmers who cannot afford this change will not be able to pass their farm onto their families and the land will be bought by mega-landowners, who will create monopolies and higher food prices.
- Farmers were vital for food security, and everyone needed a farmer at least 3 times a day.
- Some wealthy landowners had exploited the system, but this was not a reason to penalise family farmers.
- This would not mean more money for public services, as it was estimated to cost £1bn more than it would raise.

Having been proposed and seconded and, following a vote, the motion was **LOST**.

## 68 ITEMS REFERRED FROM OTHER COMMITTEES

*Audio recording – 3 hours 42 minutes 50 seconds*

The Chair advised that the referral 5A from Cabinet would be taken with the respective item on the agenda.

### **5B) DECARBONISATION OF LEISURE CENTRES PROJECT**

Councillor Mick Debenham, as Executive Member for Leisure, Environment and Green Spaces, presented the referral from Cabinet and advised that:

- The project to decarbonise the three leisure centres in the district was now at detailed design stage and had been made possible because of a £7.74m government grant, alongside the capital contribution from the Council.
- Issues had been identified with the efficiency and running costs of the heat pumps required for the project.
- There were larger and more efficient heat pumps available, but these were bespoke and required a longer lead time.
- Initially it was thought that the larger pumps could not be purchased, but following confirmation from Salix who provided the grant, these could be ordered and still meeting the requirements of the funding.

- The design process would need to be completed before final cost implications could be provided.
- Cabinet considered all options and considered Option 4a as best, as detailed in paragraph 8.9 of the report.

The following Members asked questions:

- Councillor Ralph Muncer
- Councillor Matt Barnes
- Councillor Jon Clayden
- Councillor Paul Ward

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

- The cost implications of Option 4 were between a £37k and £117k increase in running costs compared to current prices. The quantity surveyor was mildly optimistic this could be brought down further throughout the design process.
- Some of this increase was not due to heat pumps, but with the solar PV, as not as many solar PV panels could be installed on the roofs as had been anticipated.
- Wilmott Dixon were looking at two types of larger air source heat pumps and the capital implications of these would be £225k rise for one option or up to £585k for the other. There was also a redesign fee of £86k.
- In total, there would be between a £311k and £688k rise in capital costs, based on current assumptions.
- An external lawyer was looking at the contract to ensure the Council was protected in case of any insolvency of the provider.
- Up to date capital forecasts had been provided and there were no further increases expected. Risks were being managed by the project board.
- The learner pool at North Herts Leisure Centre used a gas boiler for heating which was too new to include in this round of funding. The boilers at Hitchin outdoor pool were almost new and therefore could also not be included.

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

- The table on page 8 of the report highlighted the additional electricity that would be required to be purchased, net of any on site generation by the solar PV.
- The implications would be factored in as part of the budget proposals for 2025/26 onwards.
- The report presented in summer set out the additional cost of investment, and this update added more costs, which would be roughly a net zero position in terms of revenue and capital. An additional range of options was presented now to combine the costs of these.

The following Members took part in the Debate:

- Councillor Ralph Muncer
- Councillor Ruth Brown
- Councillor Daniel Allen
- Councillor Amy Allen
- Councillor Ian Albert
- Councillor Sean Nolan
- Councillor Martin Prescott
- Councillor Mick Debenham

Points raised during the Debate included that:

- Concerns that costs had risen on this project yet again and that ongoing revenue costs could be substantial.
- This may be an item for the Overview and Scrutiny Committee to explore in further detail as to where slippage has come from and how the process has evolved.
- There was a risk of continuing with the project, but there was also a serious reputational risk to the Council by not proceeding.
- Smaller heat pumps would not be appropriate, and larger ones would be better in the long term.
- The risks needed to be monitored, but the reputational risk of not doing this also needed to be considered.
- If the Council did not proceed, the grant funding would be lost and when the gas boilers failed, these would need replacing either with gas boilers or heat pumps, at significant costs to the Council.
- This was a key opportunity to do something about emissions in the district following the declaration of a Climate Emergency and should be proceeded with, especially with funding available.
- The Council should not proceed with projects solely because it may look bad for the Council to not proceed. Unnecessary risks should not be taken, even if it was detrimental to the Council reputationally.
- It was a difficult choice, but the boilers in Hitchin and Letchworth could fail which would lead to a cost to the Council to replace and would remove the opportunity of further grant funding in the future.
- If the Council could not afford the increased costs, then it should not proceed, but this can be achieved.
- Finance, Audit and Risk Committee could consider and monitor the risk and financial aspects of this project.
- It was important Members did not overpromise, but this was a transformative amount of grant funding and would have a big impact on reducing emissions.
- All big projects have some cost slippage.
- Had this been presented with these costs on day 1, the decision to proceed may have been different, but the reality of the situation means the Council will need to proceed, but the project needed monitoring.

In response to points raised during the Debate, the Executive Member for Environment, Leisure and Green Spaces advised that:

- He took on board, and agreed with, most points raised.
- It was not an ideal situation, but even with cost increases there was still £7.7m in funding provided and a major project to reduce emissions could be delivered.
- The boilers at Hitchin and Letchworth were at the end of life and would need replacing.
- The Council had declared a Climate Emergency, and this administration promised a greener North Herts, and this provided an opportunity to act on this.

Councillor Mick Debenham proposed and Councillor Amy Allen seconded and, following a vote, it was:

**RESOLVED:** That Council proceed with Option 4a and approve the additional forecast capital and ongoing revenue costs (including revenue costs of capital) and note the ongoing project risks.

**REASONS FOR DECISIONS:**

- (1) To identify the most appropriate way forward for the leisure centre decarbonisation project, taking into account both the environmental benefits of the project and the impact on the Council's wider financial position.

- (2) Council has the responsibility to make decisions about any matter in the discharge of an executive function where the decision maker is minded to make it in a manner which would be contrary to the policy framework or contrary to/or not wholly in accordance with the budget.
- (3) To enable the Council and contractors to continue to meet the delivery time table for the project

The meeting closed at 11.37 pm

Chair



## NORTH HERTFORDSHIRE DISTRICT COUNCIL

### MINUTES

Meeting of the Council held in the Council Chamber, District Council Offices, Gernon Road,  
Letchworth Garden City, SG6 3JF  
on Thursday, 23rd January, 2025 at 7.30 pm

**PRESENT:** Councillors: Clare Billing (Chair), Tina Bhartwas (Vice-Chair), Ian Albert, Daniel Allen, Amy Allen, David Barnard, Matt Barnes, Sadie Billing, Ruth Brown, Cathy Brownjohn, Val Bryant, David Chalmers, Jon Clayden, Ruth Clifton, Mick Debenham, Elizabeth Dennis, Emma Fernandes, Joe Graziano, Keith Hoskins, Steve Jarvis, Tim Johnson, Chris Lucas, Ian Mantle, Nigel Mason, Bryony May, Caroline McDonnell, Ralph Muncer, Lisa Nash, Sean Nolan, Louise Peace, Vijaiya Poopalasingham, Sean Prendergast, Martin Prescott, Emma Rowe, Claire Strong, Tom Tyson, Paul Ward, Laura Williams, Alistair Willoughby, Stewart Willoughby, Claire Winchester, Dave Winstanley, Donna Wright and Daniel Wright-Mason.

**IN ATTENDANCE:** Anne Banner (Benefits Manager), Amy Cantrill (Trainee Committee, Member and Scrutiny Officer), Ian Couper (Service Director - Resources), Jo Dufficy (Service Director - Customers), Geraldine Goodwin (Revenues Manager and Data Protection Officer), James Lovegrove (Committee, Member and Scrutiny Manager), Callum Reeve (Electoral Services Assistant), Anthony Roche (Managing Director), Melanie Stimpson (Democratic Services Manager) and Jeanette Thompson (Service Director - Legal and Community).

**ALSO PRESENT:**

At the commencement of the meeting approximately 2 members of the public were in attendance.

#### 75 APOLOGIES FOR ABSENCE

*Audio recording – 1 minutes 46 seconds*

Apologies for absence were received from Councillors Tamsin Thomas, Dominic Griffiths, Sam Collins, Steven Patmore, Michael Muir, Sarah Lucas and Rhona Cameron.

#### 76 MINUTES - 28 NOVEMBER 2024

*Audio Recording – 2 minutes 28 seconds*

Prior to consideration of the Minutes, Councillor David Barnard provided an apology to Officers and Members following comments he had made at the previous meeting of Council.

Councillor Clare Billing, as Chair, proposed and Councillor Daniel Allen seconded and, following a vote, it was:

**RESOLVED:** That the Minutes of the Meeting of the Committee held on 28 November 2024 be approved as a true record of the proceedings and be signed by the Chair.

#### 77 NOTIFICATION OF OTHER BUSINESS

*Audio recording – 4 minutes 5 seconds*

There was no other business notified.

## 78 CHAIR'S ANNOUNCEMENTS

*Audio recording – 4 minutes 11 seconds*

- (1) The Chair advised that, in accordance with Council Policy, the meeting would be recorded.
- (2) The Chair reminded Members that the 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 that the normal procedure rules in respect of debate and times to speak will apply.
- (5) The Chair advised that 4.8.23(a) of the Constitution did not apply to this meeting. A comfort break would be held at an appropriate time, should proceedings continue at length.
- (6) The Chair agreed a change to the order of the published agenda and Agenda Item 6 'Questions from Members' and Agenda Item 7 'Notice of Motions' were taken after Agenda Item 13.
- (7) The Chair had agreed that Agenda Item 9 'Community Governance Review – Draft Proposals for Public Consultation' be deferred to the Full Council meeting on Thursday 27 February 2025.

*At 19:37 Councillor Sadie Billing left the Council Chamber.*

- (8) The Chair announced that Louise Symes, Strategic Planning and Projects Manager, had been working at North Hertfordshire for 30 years, and extended gratitude to Louise for her services to the Council. Councillor Daniel Allen also commended Louise for her work and dedication.

Councillor Clare Billing, as Chair, proposed, Councillor Daniel Allen seconded and, following a vote, it was:

**RESOLVED: That** the Council placed on record its sincere thanks and appreciation to Louise Symes for her long and valuable service to Local Government.

*At 19:42 Councillor Sadie Billing returned to the meeting.*

- (9) The Chair announced that sadly former District Councillor Tony Hunter had passed away on 7 January 2025, and the following Members paid tribute:

- Councillor Ralph Muncer
- Councillor Ruth Brown
- Councillor Claire Strong
- Councillor Daniel Allen
- Councillor Martin Prescott
- Councillor David Barnard
- Councillor Tina Bhartwas

Following on from the tributes members and officers stood for a minute's silence in commemoration .

**79 PUBLIC PARTICIPATION**

*Audio recording – 19 minutes 23 seconds*

There was no public participation at this meeting.

**80 ITEMS REFERRED FROM OTHER COMMITTEES**

*Audio recording – 19 minutes 38 seconds*

The Chair advised that the referrals 8A, 8B and 8C from Cabinet would be taken with the respective items on the agenda.

**81 COMMUNITY GOVERNANCE REVIEW - DRAFT PROPOSALS FOR PUBLIC CONSULTATION**

*Audio recording – 20 minutes 28 seconds*

As previously advised this item had been deferred to the meeting of Full Council on 27 February 2025.

**82 REVIEW OF MEMBERS ALLOWANCES SCHEME**

*Audio recording – 20 minutes 37 seconds*

The Democratic Service Manager introduced the report entitled 'Review of Members Allowances Scheme' and advised that:

- The Council was currently required to agree on an annual basis, a Scheme of Allowances payable to members for the following financial year. The current Scheme was approved by Council in January 2024.
- Under the regulations when making or accepting a scheme the Council shall have regard to the recommendations of the Independent Remuneration Panel (IRP).
- The scheme being purposed by the IRP included an annual indexation therefore if approved would I not require a review until 2028, post the next scheduled District Council elections.

The Chair invited Ms. Margaret Waller, as Chair of the IRP to present their report. Ms. Waller highlighted the following, that:

- Remuneration should not be seen as an incentive to service nor should the lack of it be seen as a barrier to participation.
- The proposals included within this report aimed to depoliticise the process of Member allowances.
- The increase to the basic allowance of 4.1% was in line with Council staff pay award and that for the next three years all basic allowance increases would be in line with Council staff pay award.
- The new basic allowance would be £5,999, which was slightly below average for neighboring councils.
- One of the options looked at was increasing basic allowance in line with inflation. However, this was discarded as it would not close the gap identified by the baseline evaluation.

- The IRP looked at benchmarking payments for Special Responsibility Allowances (SRA) against national figures for councils with similar workloads, as detailed in the data at Appendix 2 and 4.
- Childcare and Dependent Care Allowances were recommended to increase annually in line with the October 2024 London weighted Real Living Wage of £13.85 per hour.
- Travel and subsistence rates would remain the same. However, it was proposed that Councillor could now claim expenses for a taxi on exceptions where no other public transport was available.

The following members asked questions:

- Councillor Matt Barnes
- Councillor Alistair Willoughby

In response to questions, the IRP Chair advised that:

- The IRP did not enquire about the Councils budget forecast as the report was based purely on review findings.
- The SRA for the Chair of Standards was not raised within the survey and therefore had not been considered for an increase within this review.

The Chair advised that each recommendation would be taken individually.

Councillor Daniel Allen proposed recommendation 2.1, Councillor Tina Bhartwas seconded and, following a vote, it was:

**RESOLVED:** That the Council considered the report and recommendations of the IRP, as attached as Appendix A of the submitted report.

Councillor Daniel Allen proposed recommendation 2.2, and Councillor Val Bryant seconded.

Councillor Ralph Muncer proposed an amendment to freeze both the Basic Allowance and Special Responsibility Allowances (SRA) for the 2025/26 financial year. Councillor David Barnard seconded the amendment.

The following members took part in the debate about the amendment:

- Councillor Nigel Mason
- Councillor Ian Albert
- Councillor David Barnard
- Councillor Matt Barnes

The following was raised during the debate:

- The Council ask for the view of an IRP and in most cases getting independent advice would make debate limited.
- The time for a freeze in allowances was in the past, when Council staff were experiencing a pay freeze.

Having been proposed and seconded, a recorded vote having been requested, the amendment was LOST the result was as follows:

YES:	5
ABSTAIN:	18
NO:	21
TOTAL:	44

The individual results were as follows:

Cllr Ian Albert	NO
Cllr Amy Allen	NO
Cllr Daniel Allen	NO
Cllr David Barnard	YES
Cllr Matt Barnes	ABSTAIN
Cllr Tina Bhartwas	NO
Cllr Clare Billing	NO
Cllr Sadie Billing	NO
Cllr Ruth Brown	ABSTAIN
Cllr Cathy Brownjohn	NO
Cllr Val Bryant	NO
Cllr David Chalmers	ABSTAIN
Cllr Jon Clayden	ABSTAIN
Cllr Ruth Clifton	ABSTAIN
Cllr Mick Debenham	NO
Cllr Elizabeth Dennis	ABSTAIN
Cllr Emma Fernandes	NO
Cllr Joe Graziano	YES
Cllr Keith Hoskins	ABSTAIN
Cllr Steve Jarvis	ABSTAIN
Cllr Tim Johnson	ABSTAIN
Cllr Chris Lucas	ABSTAIN
Cllr Ian Mantle	NO
Cllr Nigel Mason	NO
Cllr Bryony May	ABSTAIN
Cllr Caroline McDonnell	ABSTAIN
Cllr Ralph Muncer	YES
Cllr Lisa Nash	ABSTAIN
Cllr Sean Nolan	NO
Cllr Louise Peace	ABSTAIN
Cllr Vijaiya Poopalasingham	NO
Cllr Sean Prendergast	ABSTAIN
Cllr Martin Prescott	YES
Cllr Emma Rowe	NO
Cllr Claire Strong	YES
Cllr Tom Tyson	ABSTAIN
Cllr Paul Ward	ABSTAIN
Cllr Laura Williams	NO
Cllr Alistair Willoughby	NO
Cllr Stewart Willoughby	NO
Cllr Claire Winchester	ABSTAIN
Cllr Dave Winstanley	NO
Cllr Donna Wright	NO
Cllr Daniel Wright-Mason	NO

Councillor Alistair Willoughby proposed an amendment to the original motion of a freeze to SRA's at their current rate for the year 2025/26 only, which was seconded by Councillor Nigel Mason.

The following members took part in the debate on the amendment:

- Councillor Ralph Muncer
- Councillor Daniel Allen
- Councillor Laura Williams

- Councillor Vijaiya Poopalasingham
- Councillor Tim Johnson
- Councillor David Barnard
- Councillor Ian Albert
- Councillor Nigel Mason

The following was raised during the debate:

- The report was produced by an independent panel and the council should accept their assessment.
- The amendment still recommended an increase to the basic allowance pay rise for all Members, which may not be well received by the public, especially those that were struggling financially.
- Councillors came from different backgrounds and to continue to promote and encourage a diverse Council it must be accessible for all; this recommendation struck the balance between being access while not overpaying.
- An increase in bus fares, train fares and a loss of winter fuel allowances has affected pensioners, this was an issue for the public but also Members of pension age.
- The Member pay rise would be in line with Officers at the Council.

Following a vote the amendment was **CARRIED**.

There was no further debate on the substantive motion.

Following a vote, it was:

**RESOLVED:** That Council agreed the Members' Allowances Scheme for 2025/2026 as set out in Appendix B, amended as per tracked with specified indexation has been applied for up to the next four years, through to 31 March 2029, subject to a freeze to any increase in Special Responsibility Allowances for 2025/2026. (From 1 April 2026 the Special Responsibility Allowances, as identified by the IRP in Recommendation 12 of their report will be index linked).

Councillor Daniel Allen proposed recommendation 2.3, Councillor Val Bryant seconded and, following a vote, it was:

**RESOLVED:** The Council expressed appreciation to the IRP for their work over the last year on this report.

**REASONS FOR DECISION:** To ensure that the Council meets its statutory requirements of an annual review and adoption of the scheme.

*N.B. Following the conclusion of this Item, Councillor Sadie Billing left the Chamber and returned at 21.00.*

## 83 COUNCIL TAX REDUCTION SCHEME 2025/26

*Audio recording – 1 hours 13 minutes 48 seconds*

Councillor Daniel Allen presented the referral from 8A Cabinet stating:

- Each year the Council was required to review its Council Tax Reduction Scheme (CTRS) in accordance with the requirements of the schedule 1A of the Local Government Finance Act 1992 and to either maintain the scheme, revise the scheme, or replace it.
- The Council carried out a full review of its Council Tax Reduction Scheme in 2022/23. The review resulted in the introduction of a banded scheme from 2023/24. The new scheme was now coming to the end of its second year.

- Following a review two adjustments were needed in 2024/25, these were in relation to the Post Office compensation scheme and an uplift to the bands to reflect the Consumer Price Index.

Councillor Ian Albert presented the report entitled 'Council Tax Reduction Scheme 2025/2026' and highlighted the following:

- The adjustments were made to continue to support those in most need, the council has enhanced its policy on handling and investigating fraud.
- The CTRS was divided into two Schemes one for working age, which accounts for two thirds of the claimants and one for pension age, the other third.
- The banded scheme was effective as it had reduced the administrative burden and feedback received was that it was now easier to understand.
- A hardship scheme was introduced, but the take up was low with just 6 applications in the year 2023/24 and no applications in the year 2024/25.
- It was recognised that higher inflation may negatively affect some therefore a recommendation had been included to increase the bands to mitigate this.
- For year 2025/26 the Cabinet reviewed options but apart from the two mentioned above they were decided against to reduce hardship to the constituents as well as cost to the Council.
- The CTRS in 2024/25 cost approximately £9.18m, with these costs shared between the Council and the Major Precepting Authorities which were approximately 76% County Council, 12% Police and Crime Commissioner, 12% District Council.
- The reduction to the tax base resulted in an estimated reduction in funding for North Herts of £12,000.

As part of the debate Councillor Matt Barnes thanked Councillor Ian Albert for providing a detailed introduction which answered outstanding questions and advised he would support the recommendations.

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

**RESOLVED:** That Council:

- (1) Approved the continuation of the banded scheme for working age applicants which remains largely unchanged for 2025/2026, a small adjustment to the income bands to reflect CPI has been incorporated to ensure the scheme continues to support those most in need.
- (2) Noted the cost of the scheme is currently £9.18m noting that this is not an actual cost but a reduction of the amount of council tax collected.
- (3) Noted that the Discretionary Exceptional Hardship Scheme, previously agreed to provide additional transitional support will continue to be used to support cases of exceptional hardship.

**REASONS FOR DECISION:** To ensure that the Council has a Council Tax Reduction Scheme that continues to:

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

*N.B. Following the conclusion of this item, Councillor Elizabeth Denis left the Chamber and returned at 20:56*

**84 Q2 INVESTMENT STRATEGY (INTEGRATED CAPITAL AND TREASURY) MONITORING**

*Audio recording – 1 hours 22 minutes 47 seconds*

*N.B Councillor Paul Ward, having declared an interest due to his employment, left the Chamber at 20.53 and did not take place in the debate or vote.*

Councillor Daniel Allen presented referral 8B from Cabinet.

Councillor Ian Albert presented the report 'Second Quarter Investment Strategy (Capital and Treasury) Review 2024/25' and highlighted that:

- This followed the recent decision to progress with the Leisure Centre Decarbonisation Scheme and sought approval for capital expenditure for 2025/26 to take place alongside those works.
- The Council would generate £2.4M of interest in 2024/25 from investments made during the first half of the year and it was forecast that the Council would generate £2.8M of interest over the whole of 2024/25.
- The changes proposed and agreed by Cabinet were outlined in Table 3 of the report and included a full review of expected spend in this year.
- The amount required for the changing rooms upgrade had increased from previous forecasts to £330k but the estimate for the flume remained unchanged at £300k.
- Improved facilities would be popular with residents and would support the income to the Council from these facilities.

In response to a question from Councillor Ralph Muncer, the Service Director – Resources advised that the contractor who operate North Herts Leisure Centre provided income based on the leisure facilities meeting certain conditions, including a working flume and adequate changing facilities.

Councillor Ian Albert proposed, Councillor Val Bryant seconded the recommendation and following a vote, it was:

**RESOLVED:** That Council:

- (1) Noted the position of Treasury Management activity as at the end of September 2024.
- (2) Approved capital budgets in 2025/26 for a new flume (£300k) and a refurbishment of the pool changing rooms (£330k) at North Herts Leisure Centre.

**REASONS FOR DECISION:**

- (1) Cabinet has approved adjustments to the capital programme and has ensured the capital programme is fully funded.
- (2) To ensure the Council's continued compliance with CIPFA's code of practice on Treasury Management and the Local Government Act 2003 and that the Council manages its exposure to interest and capital risk.
- (3) The proposal to approve the 2025/26 capital budgets at North Herts Leisure Centre in January (rather than in the usual budget report at the end of February) means that the works can take place at the same time as the decarbonisation works, and therefore not



require two periods where the pool cannot be used. It also provides a more obvious benefit to users of the facility.

*N.B. At 21:00 following the conclusion of this item, there was a comfort break and the meeting reconvened at 21.11.*

*N.B. During the break, Councillor Lisa Nash left the meeting and did not return.*

## 85 CONSTITUTIONAL AND GOVERNANCE REVIEW

*Audio recording – 1 hour 41 minutes 53 seconds*

The Service Director – Legal and Community presented the report titled ‘Constitutional & Governance Review’ and highlighted the following:

- Since the original publication of the report in November, recommendations 2.9 to 2.12 had been added to the report with 2.11 and 2.12 included in the supplementary document.
- Due to the complexities each recommendation had been reviewed individually within the report.
- The Devolution White Paper required Authorities to have a Standards Committee as covered in recommendation 2.4.
- Recommendations cover in 2.5 covered the rules of debate, the length of speech, the number of motions and questions which can be submitted by Members and how long is spent on each one.
- Recommendation 2.6 outlined the delegation for further minor amendments to the Monitoring Officer, in consultation with the Working Group, for practical purposes.
- The threshold for Non-Executive Delegated Decision was set in 2015 at £50k and recommendation 2.7 sought to increase this to £75K.
- A minor amendment to the names of the Community Forums for Baldock and Royston were requested as outlined in recommendation 2.8
- Outlined in 2.9 was the biodiversity Duty and subsequent amendments to section 14 of the constitution.
- Outlined in 2.10 is the proposed amendments to section 14 of the Constitution relating to the Local Government Ombudsman report.
- 2.11 made recommendations on presentations by the Public.
- 2.12 made recommendations regarding the temporary arrangements for the Service Director - for Housing and Environmental Health until the end of March 2025.

*N.B. Councillor Sadie Billing left the Chamber and returned at 21.44.*

The following Members asked questions:

- Councillor Matt Barnes
- Councillor David Barnard
- Councillor Martin Prescott

The Service Director – Legal and Community gave the following responses:

- Debates on Motions had been based, following as suggestion, as per the practice by Hertfordshire County Council.
- The intention was to create a reasonable cut off period for meetings and therefore the item being considered at 10.30pm would be the last item at that meeting. There was no discretion for the Chair.

Councillor Daniel Allen proposed and Councillor Nigel Mason seconded to approve recommendation 2.1

The following Members took part in the Debate:

- Councillor Martin Prescott
- Councillor Elizabeth Dennis

The following points were raised as part of the debate:

- If items 2.2 and 2.3 were carried, then Planning Control Committee Sub-Committee meetings would be needed to get through all items.
- Planning applications could be discussed closer to the area where the site was located, and a Sub-Committee could support this process.
- The Planning Control Committee was about serving the community and could the lack of Sub-Committees slow this down.

Following a vote it was:

**RESOLVED:** That Council approved the removal of the Planning Control Committee Sub-Committee meetings from the 2025 calendar.

*N.B. Councillor Ruth Clifton left the meeting at 21.37 and did not return.*

Councillor Daniel Allen proposed and Councillor Val Bryant seconded to approve recommendation 2.2

The following Members took part in the Debate:

- Councillor Martin Prescott
- Councillor Ralph Muncer
- Councillor Nigel Mason
- Councillor Emma Fernandes
- Councillor Ian Mantle

The following points were raised as part of the debate:

- Public engagement at the Planning Control Committee was higher than any other committee and it was important that the public could see the whole meeting, changing the start time might make this harder for people to attend.
- Better management of Planning Control Committee meetings and agendas could ensure all items were considered without needing to change times.
- Having an earlier start was likely to lead to earlier finish times, which was better for the public and Members.
- Giving more time may increase the length of the work.

Following a vote it was:

**RESOLVED:** That Council approves that Planning Control Committee meetings commence at 7pm, from January 2025.

Councillor Daniel Allen proposed, and Councillor Val Bryant seconded to approve recommendation 2.3

The following Members took part in the Debate:

- Councillor Elizabeth Dennis
- Councillor Ralph Muncer
- Councillor Martin Prescott
- Councillor Claire Strong

- Councillor Ian Mantle
- Councillor Tom Tyson
- Councillor Nigel Mason

The following points were raised as part of the debate:

- Without a discretion for the Chair, there was a risk that applications would miss required deadlines and house building would be blocked.
- Increased government building targets with these constraints could lead to four Planning Control Committee meetings a month to meet targets.
- Councillors were happy to follow the lead of the Chair of the Planning Control Committee especially as this would help with a backlog.
- If items were deferred due to time constraints, this could be considered as non-determination and also be difficult for members of the public.
- An option that could be looked at was splitting the District into two separate Planning Committees.
- Substitutes are available for Councillors who were unable to attend a meeting.
- The recommendation if approved would not apply to the meeting on the 30 January as the summons had been published.
- Starting at 7pm with a suggested end of 10:30pm was good for effective decision making.

Councillor Daniel Allen amended the recommendation that the cut off at 10.30pm would be at the discretion of the Chair, which was agreed by Councillor Val Bryant as the seconder.

Following a vote, it was:

**RESOLVED:** That Council approves a Planning Control Committee Council Procedure Rule, that, any item under the consideration of the Committee, at 10.30 pm, will be the concluding item of the meeting, with any remaining business to be considered at the next available meeting (subject to the discretion of the Chair on a remaining item). Such amendment to take effect from January 2025.

Councillor Alistar Willoughby proposed, and Councillor Ralph Muncer seconded to approve recommendation 2.4, following a vote it was:

**RESOLVED:** That Council approved the Standards Committee's Terms of Reference be amended to include remit to consider and adopt or recommend adoption to the relevant decision-making body of relevant Ethical Standards Codes, or Protocols; and undertake any annual review of sections 1-18 of the Constitution (with the Monitoring Officer), prior to recommended change to Full Council.

Councillor Daniel Allen proposed, and Councillor Val Bryant seconded to approve recommendation 2.5.i

Councillor Ralph Muncer proposed an amendment that 4.8.2 (g), relating to Motions on Notice, be moved to the end of the agenda, but Questions from Members to remain at the start. This was seconded by Councillor David Barnard.

Following a vote, the amendment was **LOST**

The following Members took part in the Debate:

- Councillor Ruth Brown
- Councillor Claire Strong

The following points were raised as part of the debate:

- This should be flexible based on which is most appropriate or important to the public.
- These kinds of decisions do not need to be part of the constitution but left to the discretion of the Chair.

Following a vote it was:

**RESOLVED:** That Council approved the proposed amendments to the Council Procedure Rules ('CPR') on Member Motions, Member Questions and Rules of Debate, as follows, CPR 4.8.2 (f) and (g) order of business be move to the end of the meeting.

*N.B. Councillor Sadie Billing returned to the Chamber at 22.19.*

Councillor Daniel Allen proposed, and Councillor Val Bryant seconded to approve recommendation 2.5.ii.

The following Members took part in the Debate:

- Councillor Ian Albert
- Councillor Alistair Willoughby
- Councillor Matt Barnes
- Councillor Chris Lucas
- Councillor Claire Strong
- Councillor Martin Prescott
- Councillor Joe Graziano

The following points were raised as part of the debate:

- This was one way in which opposition groups could directly challenge the administration. Discretion should be left with Group Leaders to ensure their Members did not bring forward a motion that was not necessary.
- By setting a limit the Council would set a target, rather than limiting motions, as data showed that no political group has brought more than two Motions to Council prior to this.
- These kinds of decisions did not need to be part of the Constitution but left to the discretion of the Chair.

Councillor Daniel Allen amended the recommendation that there would be a maximum of three motions per political group. This was agreed by Councillor Val Bryant, as the seconder

Following a vote, the recommendation was **LOST**

*N.B. Councillor Caroline McDonnell and Emma Rowe left the Chamber. Councillor McDonnell returned at 22.22 and Councillor Rowe returned at 22.28.*

Councillor Daniel Allen proposed and Councillor Tina Bhartwas seconded to approve recommendation 2.5.iii.

The following Members took part in the Debate:

- Councillor Tina Bhartwas
- Councillor Chris Lucas
- Councillor Ralph Muncer
- Councillor Ian Albert
- Councillor Matt Barnes
- Councillor Nigel Mason
- Councillor Alistair Willoughby

- Councillor Sadie Billing
- Councillor Laura Williams

The following points were raised as part of the debate:

- There was concern that the Council would stop debating topics that had a substantial impact on the District, due to Members not having power to affect such things.
- A request to write to a Secretary of State on a matter could be made directly to the Leader of the Council, without the need to submit a Motion
- It should be for Group Leaders to discourage Motions that were not within the remit of the Council
- Debate on items of national importance allowed Members to come together with one voice.
- This was too prescriptive and prevented avenues for supporting residents.

The Service Director – Legal and Community advised that it would be down to the Chair to decide what was considered within the scope.

The Managing Director advised that this wording was previously included within the Constitution.

In reply, Councillor Daniel Allen stated that Members could directly request that he wrote to Members of Parliament, however these were currently only requested via Motions.

Following a vote, the recommendation was **LOST**

*N.B. Councillor Amy Allen left the Chamber and returned at 22.50.*

*N.B. Councillor Martin Prescott left the Chamber at 22.37 and did not return.*

Councillor Daniel Allen proposed, and Councillor Val Bryant seconded to approve recommendation 2.5.iv including the amendment to allow 30 minutes of debate per Motion

Councillor Ralph Muncer proposed, and Councillor David Barnard seconded an amendment to remove the 90-minute guillotine.

The following Members too part in the Debate on the amendment:

- Councillor Paul Ward
- Councillor Alistair Willoughby
- Councillor Chris Lucas
- Councillor Daniel Allen

The following points were raised as part of the debate on the amendment:

- There was clarification that there would be 30 minutes discussion per Motion, with no limit on the number of Motions submitted.
- A limit could lead to filibustering in an attempt to stop debate.
- Motions were part of Council business and the guillotine would limit democratic debate.

Following a vote, this amendment was **CARRIED**.

The following Members took part in the Debate:

- Councillor Elizabeth Dennis
- Councillor Ralph Muncer

The following points were raised as part of the Debate on the substantive motion:

- Councillors should respect the time of other Members, accept when a point has already been made by a colleague and not repeat the same point.
- These decisions should be left to the discretion of the Chair, rather than limiting democratic debate through the Constitution.
- Motions can encourage new members to talk and get involved in debates.

Councillor Daniel Allen proposed an amendment that debates on Motions be up to 30 minutes rather than 15 minutes, and this was seconded by Councillor Val Bryant.

Following a vote it was:

**RESOLVED:** That Council approves CPR 4.8.12 (d) Motions on Notice - Debate to be up to 30 minutes per Motion.

*N.B. Councillors Sadie Billing, Keith Hoskins and Elizabeth Dennis left the Chamber.  
Councillor Hoskins returned at 22.49 and Councillor Dennis returned at 22.52.*

Councillor Daniel Allen proposed, and Councillor Val Bryant seconded to approve recommendation 2.5.v.

The following Members took part in the Debate:

- Councillor Ralph Muncer
- Councillor Ian Albert
- Councillor David Barnard

The following points raised in the debate were:

- This recommendation was not necessary and the current system of leaving it to the discretion of the Chair was satisfactory.
- This was the procedure used for questions, and it seemed fair to apply this for motions too.

Following a vote it was:

**RESOLVED:** That Council approves CPR 4.8.12 Motions on Notice – order of Motions shall be debated in rotation commencing with the largest opposition group, followed by the remaining opposition groups in descending order of group size and the administration group ending the round this order would be repeated until all Motions have been considered.

*N.B. Councillor Sadie Billing returned to the Chamber at 23.09*

Councillor Daniel Allen proposed, and Councillor Val Bryant seconded to approve recommendation 2.5.vi

The following Members took part in the Debate:

- Councillor Ralph Muncer
- Councillor Paul Ward

The following points were raised as part of the debate:

- It was clarified that any extension to this time would remain at the discretion of the Chair.
- This would encourage Councillors to think more about what they said.

Following a vote it was:

**RESOLVED:** That Council approves CPR 4.8.14 (e) Content and Length of Speeches – to be reduced per Councillor to three minutes.

Councillor Daniel Allen proposed, and Councillor Matt Barnes seconded to approve recommendation 2.6 and 2.12 and, following a vote, it was:

**RESOLVED:** That Council approves:

- (1) The delegation to the Monitoring Officer to finalise any amendments relating to recommendations 2.3-2.5, as approved, in consultation with the Constitutional and Governance Working Group, and thereafter to be reported to Councillors via the Member Information Service.
- (2) To note that the Managing Director has extended the temporary Service Director Housing & Environmental Health arrangements, as per his Delegated Decision of 18 December 2024, until 31 March 2025 – and that section 14 will be amended accordingly.

Councillor Daniel Allen proposed, and Councillor Val Bryant seconded to approve recommendation 2.7.

As part of the Debate, Councillor Ralph Muncer noted that £25K was not a small amount of money and it was important that the Council have oversight with large spending.

Following a vote, it was:

**RESOLVED:** That Council approves the increase of the Non-Executive Delegated Decision financial/ contractual threshold reporting limit to £75K (from £50K) and instructs the Service Director Resources and Monitoring Officer to make the necessary amendments to the Contract Procedure Rules and Financial Regulations (and relevant Guidance documentation) accordingly.

Councillor Val Bryant proposed, and Councillor Alistair Willoughby seconded to approve recommendation 2.8 and following a vote it was:

**RESOLVED:** That Council approves as the non-Decision-making body by vote of assent), that the Leader will exercise his Executive function, to change the names of the following Community Forums:

- (2.7.1) Baldock and District – to become Baldock and Villages Community Forum.
- (2.7.2) Royston and District – to become Royston and Villages Community Forum.

Councillor Daniel Allen proposed, and Councillor Val Bryant seconded to approve recommendation 2.9 and following a vote it was:

**RESOLVED:** That Council approves to amend section 14.6.11(b)(iv)A as detailed in paragraph 8.6-8.8 (namely):

*“all functions of the Local Planning Authority primarily Planning Policy and Development Control (including enforcement functions, authorising expenditure of planning obligation monies, Biodiversity Net Gain, and Environmental Impact Assessment functions, and Tree Preservation Orders), other than matters reserved to the Planning Control Committee”*

Councillor Daniel Allen proposed, and Councillor Dave Winstanley seconded to approve recommendation 2.10 and following a vote it was:

**RESOLVED:** That Council approves the revisions to section 14 of the Constitution relating to LGO decisions and payments, as detailed under section 8.5 of the Cabinet report, as follows:

14.6.5(a)(xiii) Managing Director's delegation:

*"(xiii) To consider any report of the Local Government Ombudsman and to settle any compensation payments ~~up to £2000~~ (in conjunction with the section 151 Officer and Monitoring Officer)"*

14.6.13 Proper Officers Schedule:

*"Local Government Act 1974 S.30(5) To give notice and that copies of an Ombudsman's report, in draft and final are available to the Managing Director, and Monitoring Officer (where maladministration identified)"*

Councillor Daniel Allen proposed, and Councillor Val Bryant seconded to approve recommendation 2.11 and following a vote it was:

**RESOLVED:** That Council approves to amend section 4.8.9(e) Presentations by the Public as follows:

*(e) Number of presentations: At any one meeting no person or organisation may make more than ~~two~~ one presentations per agenda item (or combined referral and main item) and no more than two such presentations may be made on behalf of one organisation.*

**REASONS FOR DECISIONS:** To ensure the arrangements are up-to date and fit for purpose.

*N.B. At 23:09 at the end of this item there was a comfort break and the meeting resumed at 23:16.*

## 86 QUESTIONS FROM MEMBERS

*Audio recording – 3 hours 47 minutes*

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

### **(A) Free After 3pm Parking**

Councillor Tim Johnson to Councillor Daniel Allen (Interim Executive Member for Planning and Transport):

"Can the Executive Member for Planning and Transport clarify why the administration is getting rid of free after three pm parking in Royston, citing consistency across the area, when anomalies are allowed to remain elsewhere, and what consultation has been done with local businesses?"

Councillor Daniel Allen gave a response as follows:

"The parking was never free it was a subsidised tariff paid for by the Herts County Council members and since this is no longer being paid, the District has published the tariff, so any organisation has transparency as to what needs to be subsidised."

A supplementary question was asked by Councillor Tim Johnson:



“Will the Cabinet publish the impact assessment undertaken in June 2023?”

Councillor Daniel Allen gave a response as follows:

“The assessment will be published in due course and has already been shared with the relevant parties.”

**(B) Response to Local Government Re-Organisation White Paper**

Councillor Ralph Muncer to Councillor Daniel Allen (Leader of the Council):

“To ask the Leader of the Council what proposals the administration intend to bring forward in response to the Local Government Re-organisation announced as part of the Government’s English Devolution White Paper?”

Councillor Daniel Allen gave a response as follows:

“The Council is working with colleagues from the County Council, all 10 of the District and Borough Councils and the Police and Crime Commissioner to consider what the White Paper can mean for Hertfordshire. These groups have joined together in a Working Group and our council is being represented by the Managing Director. Any decisions will be based on the evidence and what is the best outcome for the communities that we serve.”

A supplementary question was asked by Councillor Ralph Muncer:

“Why are you against a singular unitary Council?”

Councillor Daniel Allen gave a response as follows:

“Our county is diverse and any reform of local government should consider residents, businesses, local representatives and stake holders and a single unitary authority would take away from the communities we serve.”

**(C) Penalty Charge Notices (PCNs) – Issued**

Councillor Ralph Muncer to Councillor Daniel Allen (Interim Executive Member for Planning and Transport)

“How many Penalty Charge Notices (PCNs) were issued by this authority in 2024?”

Councillor Daniel Allen gave a response as follows:

“15,623.”

A supplementary question was asked by Councillor Ralph Muncer:

“Can Councillor Allen confirm the total income from those fixed notices, and whether the directorate of which is responsible for enforcing parking in North Hertfordshire makes a net profit?”

Councillor Daniel Allen gave a response as follows:

“I do not have figures like that off the top of my head, but I will get back to you with that data.”

**(D) Penalty Charge Notices (PCNs) – Appeals**

Councillor Ralph Muncer to Councillor Daniel Allen (Interim Executive Member for Planning and Transport)

“How many of the PCNs issued by this authority in 2024 were successfully appealed?”

Councillor Daniel Allen gave a response as follows:

“The answer is 1,948 which is 12.5%.”

A supplementary question was asked by Councillor Ralph Muncer:

“What are the costs associated to the Council with upholding those appeals, and the cost of lost revenue from those 12.5%?”

Councillor Daniel Allen gave a response as follows:

“I will have to get back to you, of those appeals 29 were due to medical emergencies, 315 were due to blue badge holders who had forgotten or covered up their badges, 451 had valid tickets produced afterwards were the ticket had blown off the dashboard and 1,143 of these were broken down cars, loading PayPal errors, pay by phone errors, the wrong reg numbers. All these appeals are understandable reasons and show that we believe in a fairer greener North Herts.”

## 87 NOTICE OF MOTIONS

*Audio recording – 3 hours 57 minutes 24 seconds*

There were two motions submitted in accordance with Standing Order 4.8.12.

### **(A) Support the Introduction of a Youth Mobility Scheme**

Councillor David Chalmers proposed the motion as follows;

This council notes that:

- Opportunities for young people to travel, study, and work abroad foster cultural exchange, personal development, and economic growth.
- The UK previously benefited from the EU's Erasmus+ programme, which supported youth mobility and exchange. Prior to Brexit, our young people were able to freely travel between member states, and wider European Economic Area (EEA) to live work and study without time limits.
- Since the UK's departure from the EU, young people in North Hertfordshire and across the UK face increased barriers to living, working, and studying in European countries, limiting opportunities that were previously available. We now have a 90-day limit on the time we can spend in European countries without buying a visa.
- Young people have been disproportionately impacted by the restrictions on mobility.
- A Youth Mobility Scheme between the UK and the EU would offer structured opportunities for young people to gain international experience and develop skills valuable to their personal and professional futures. In North Hertfordshire, according to the 2021 Census, 26,000 young people aged between 18-35 (19% of the total population) would be eligible to benefit from the scheme. The ability to experience different cultures and gain a better perspective of the world is extremely valuable, especially for young people.
- Local businesses – especially those in hospitality -would also benefit from the extra temporary personnel offered by young people across the EU taking advantage of the scheme.

#### **Justification:**

This motion seeks to enhance the prospects of young people across North Hertfordshire, providing them with access to opportunities that foster growth, learning, and intercultural

understanding. According to the 2021 Census 26,000 young people aged between 18-35 would be eligible to take advantage of the scheme – 19% of the local population. A Youth Mobility Scheme which has been proposed by the European Union would strengthen ties between the UK and EU, aligning with the council's commitment to creating a thriving and inclusive community. The UK currently has Youth Mobility Schemes with Australia and Japan allowing 18 – 35 year olds to move and work freely between countries for up to 2 years – the UK /EU Youth Mobility Scheme would follow this model.

Local businesses – especially those involved in hospitality – would benefit from the extra temporary personnel supplied by young people across the EU taking advantage of the scheme. Local educational institutions would also benefit from potential EU students. In April 2024 the EU Commission expressed a desire to open negotiations with the UK on a youth mobility scheme for young people aged 18-30, which was rejected by the previous Conservative Government and has yet to be accepted by the current Labour Government.

This council resolves to:

1. Publicly endorse the principle of establishing a Youth Mobility Scheme between the UK and the European Union.
2. Instruct the Council Leader to write to the Secretary of State for Foreign, Commonwealth and Development Affairs, and the Secretary of State for Education, urging them to open negotiations with the European Union to create such a scheme.

Councillor Claire Winchester seconded the motion.

The following Members took part in the debate:

- Councillor Tom Tyson
- Councillor Emma Rowe
- Councillor Amy Allan
- Councillor Donna Wright
- Councillor Stewart Williby
- Councillor Ralph Muncer
- Councillor Claire Winchester
- Councillor Daniel Allen
- Councillor Daniel Wright-Mason
- Councillor John Clayden
- Councillor Ruth Brown

Points raised in the debate included:

- Engaging the youth population of North Herts District is important to council and it was recognised that a Youth Mobility Scheme could be beneficial to the district's population.
- Mobility from Europe into the district could help in certain industries that have staffing gaps for example hospitality.
- This Motion would show Members agreement of the potential of a Youth Mobility Scheme.
- This Motion covers a subject that was much more complex than something that can be decided by Members and should be resolved in the wider discussions with London and Brussels.
- The scheme is something that would be resolved in National Government and although Members could show support it does not warrant a full council debate.

Councillor David Chalmers replied to the debate highlighting that this was a real opportunity for the whole Council to say what they all think on such an important national issue.

Following a vote, it was:

**RESOLVED:** That Council:

(1) Publicly endorse the principle of establishing a Youth Mobility Scheme between the UK and the European Union.

(2) Instruct the Council Leader to write to the Secretary of State for Foreign, Commonwealth and Development Affairs, and the Secretary of State for Education, urging them to open negotiations with the European Union to create such a scheme.

**(B) Digital Exclusion and fair representation for all in Council consultations**

Councillor Paul Ward proposed the motion as follows;

A person is digitally excluded if they are unable to use information technology in the ways that are needed to participate fully in modern life.

The Council says in the District Plan 2024-28 that Accessible Services are a priority, particularly digitally. However, it also recognises that some residents are not digitally savvy or cannot access digital services. It says, “some of our residents can’t or don’t use online services, so we’re committed to remaining accessible in other ways including by post, phone and via our Customer Service Centre.”

A House of Lords committee report in January 2024 on Digital Exclusion in the UK identified issues with affordability, connectivity, skills, motivation and digital-only public services.

There is evidence to show older people are disproportionately affected by digital exclusion. Age UK has found that around 20% of people aged 65 or over do not use the internet and 46% cannot complete all the fundamental tasks to safely use it. North Hertfordshire has a population with 19.7% aged 65 or over, higher than the England average of 18.6% (ONS 2022 data).

However, digital exclusion is not only about elderly people. The Centre for Social Justice has estimated that 30% of digitally excluded people in the UK are of working age. Other groups that are disproportionately affected by the problem include people with low incomes and those with mental and/or physical health conditions.

The Council must be careful to avoid indirect age or other discrimination in its consultations.

The Council does have measures in place today that should address this. It is welcomed that the Council already has procedures in place to assess equality implications in reports put forward for approval. This includes assessing both the implications of proposed changes, as well as considerations for any community consultations – the latter being relevant here.

The Council has a Community Consultation Strategy which lays out a range of suitable channels that are recommended to teams in the Directorates planning consultations. This covers provision for both for in-person / non-digital access as well as digital access, with the specifics being determined on a case-by-case basis based on the consultation’s nature.

However the evidence of the Council providing effective non-digital access across consultations are variable. For example, the Churchgate consultation included clear instructions for non-digital users and was also advertised broadly. However the consultation on Car Park charges used email, and the Parish Arrangements consultation was online.

The Council can do better at this consistently to give all our residents a fair deal in accessing all consultations and contributing into local democracy. Whilst Councillors themselves are a vital link to the community in person, they cannot be relied on to be the sole non-digital means of engagement with our residents.

As well as the Community Consultation Strategy, the Council has a Digital Strategy which aims for it to be “digital first for all our customers”. This also includes a digital skills training and communication plan, targeted for councillors and employees. However, it does not currently include an explicit digital skills improvement approach for residents, although we expect residents to access our services and consultations primarily digitally.

This could potentially include raising awareness of existing resources. This motion highlights two additional complimentary steps the Council can take to ensure those digitally excluded are included in all public engagement and help close our community's digital gap.

Council therefore resolves that:

1. Reports brought to Council that propose public consultation must explicitly explain the appropriate mix of digital and non-digital access provision for both communicating the consultation and obtaining feedback, based on the results of the equalities assessment and using the Community Consultation Strategy.
2. The Executive Member for Community & Partnership is required to develop a digital skills and literacy plan to help residents participate in consultations and surveys, as part of the mid-term review of the Digital Strategy 2024-27, and report back to Cabinet and Overview & Scrutiny within a year with recommendations on possibilities and further actions.

Councillor Tim Johnson seconded the motion.

The following Members took part in the debate:

- Councillor Val Bryant
- Councillor Ian Albert
- Councillor Ralph Muncer
- Councillor Donna Wright
- Councillor Tim Johnson
- Councillor Tina Bhartwas
- Councillor Daniel Allen

Points raised in the debate include:

- Any way the Council can negate exclusion of the public should be supported by Members and Officers.
- With a shift towards more online procedures, it is important that no one is excluded and that Council communications are clear and easily accessible.
- Digital exclusion is not just an issue for the elderly population but affects different levels of affluence and different ethnic groups in a variety of ways; with 33% of British Asians and 30% of Black British people being excluded.

Following a vote, it was:

**RESOLVED:** That Council:

(1) Reports brought to Council that propose public consultation must explicitly explain the appropriate mix of digital and non-digital access provision for both communicating the consultation and obtaining feedback, based on the results of the equalities assessment and using the Community Consultation Strategy.

(2) The Executive Member for Community and Partnership is required to develop a digital skills and literacy plan to help residents participate in consultations and surveys, as part of the mid-term review of the Digital Strategy 2024-27, and report back to Cabinet and Overview and Scrutiny within a year with recommendations on possibilities and further actions.

The meeting closed at 0.15 am

Chair



<b>Item No</b>	<b>Referred from:</b>	<b>Cabinet</b>
<b>6a</b>	<b>Date:</b>	<b>11 February 2025</b>
	<b>Title of item:</b>	<b>Budget 2025/26 (Revenue Budget and Investment Strategy)</b>
<b>To be considered alongside agenda item:</b>		<b>Agenda Item 10</b>

The report considered by Cabinet at the meeting held on 11 February 2025 can be viewed here: [Agenda for Cabinet on Tuesday, 11th February, 2025, 7.30 pm | North Herts Council](#)

**RECOMMENDED TO COUNCIL:** That it:

- (1) Notes the position on the Collection Fund and how it will be funded.
- (2) Notes the position relating to the General Fund balance and that due to the risks identified a minimum balance of £2.6 million is recommended.
- (3) Notes 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) Approves the revenue savings and investments as detailed in Appendix B.
- (5) Approves the capital programme as detailed in Appendix C, adjusted by the removal of NCP4 which will now be funded within the allocation for ECP4.
- (6) Approves a net expenditure budget of £22.792m, as detailed in Appendix E.
- (7) Approves a Council Tax increase of 2.99%, which is in line with the provisions in the Medium Term Financial Strategy.
- (8) Approves the Investment Strategy as detailed in Appendix F.
- (9) Approves the adoption of the four clauses in relation to the Code of Practice on Treasury Management (as detailed in paragraphs 8.32 to 8.35).

**REASONS FOR RECOMMENDATIONS:**

- (1) To ensure that all relevant factors are considered in arriving at a budget (revenue and capital) and Council Tax level for 2025/26. To ensure that the budget is aligned to Council priorities for 2024-28 as set out in the Council Plan.
- (2) The Council’s Investment Strategy is set to comply with relevant statutory guidance, including the CIPFA Prudential Code. The Strategy also sets out the Council’s approach to risks in relation to the investment of surplus cash.

*Audio recording – 42 minutes 22 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 discussions around:

- The primary facts set out in the budget as part of the Medium-Term Financial Strategy (MTFS) and looking into the savings that would be required over the next four to five years to fill the deficit and balance the in-year budget without using reserves.
- How the 'TBC' potential income items in the report would have a positive effect of the overall figures rather than a negative one.
- The Investment Strategy and around the type of investments made and any potential future risks involved.
- Where the various grant funding included within the report had been allocated and used.

Councillor Ian Albert, as the Executive Member for Finance and IT, presented the report entitled 'Budget 2025/26 (Revenue Budget and Investment Strategy)' and advised that:

- This year the reports had been combined into one report to reflect where capital spend had significant revenue implications.
- The aim was to set a balanced budget including some of the General Fund reserves over the MTFS.
- In 2025/26 funding gains from previous Business Rates would be utilised rather than using General Fund reserves.
- The Council would need to find over £2.5 million savings by the end of the MFTS period.
- The General Fund reserves were well above the minimum recommended by the Section 151 Officer.
- The £1.435 million funding for Extended Producer Responsibility provided growth in the budget beyond inflationary cost pressures. But uncertainty over that funding stream in future.
- Consultations would take place later in the year with residents concerning any savings to be made that would have an impact on services.
- The Council would be increasing Council Tax by 2.99% which was the maximum amount allowed without holding a referendum.
- The banded Council Tax Reduction Scheme would continue to support those residents in most need.
- Some of the key features from the Budget Workshops held in November 2024 could be found in paragraphs 8.2-8.4.
- Funding was required to fully staff the Environmental Health service to ensure delivery of this important service.
- FAR had asked for additional information on the revenue investments, including whether they related to statutory services. This was included at Appendix G.
- It was an important part of the capital programme to improve facilities and services to residents across the district.
- Although the Learner Pool at Royston Leisure Centre was not included in the capital programme, discussions would continue to look to deliver a business case at a later stage.
- The comments made by the Chief Finance Officer on budget risk and General Fund reserves could be found in the section 25 report included at Appendix D.
- The Investment Strategy at Appendix F highlighted where the Council could invest its surplus funds.
- The Council wanted to be able to deliver services to residents and had a key priority of 'sustainability'. It would therefore make investments in the budget for decarbonisation of services and to provide resources for the Environmental Health service.



Councillor Mick Debenham advised that the funding included for NCP4, to replace the play equipment in Howard Park, could be removed from the Capital Programme, as this would be completed within funds already allocated to the project under ECP4. Therefore, an amendment could be made to the recommendations to remove this amount.

In response to a question from Councillor Daniel Allen, the Service Director – Resources advised that work would be carried out to find the most effective way of providing cooling for Hitchin Town Hall and it would not conflict with any decarbonisation work.

The following Members took part in the debate:

- Councillor Dave Winstanley
- Councillor Daniel Allen

Points raised during the debate included:

- Members were pleased that the Royston Learner Pool project would still be considered in the future.
- Members were happy to support investment into Environmental Health staffing to ensure delivery of this important statutory service.

Councillor Ian Albert proposed as amended and Councillor Daniel Allen seconded and, following a vote, it was:

**RECOMMENDED TO COUNCIL:** That it:

- (1) Notes the position on the Collection Fund and how it will be funded.
- (2) Notes the position relating to the General Fund balance and that due to the risks identified a minimum balance of £2.6 million is recommended.
- (3) Notes 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) Approves the revenue savings and investments as detailed in Appendix B.
- (5) Approves the capital programme as detailed in Appendix C, adjusted by the removal of NCP4 which will now be funded within the allocation for ECP4.
- (6) Approves a net expenditure budget of £22.792m, as detailed in Appendix E.
- (7) Approves a Council Tax increase of 2.99%, which is in line with the provisions in the Medium Term Financial Strategy.
- (8) Approves the Investment Strategy as detailed in Appendix F.
- (9) Approves the adoption of the four clauses in relation to the Code of Practice on Treasury Management (as detailed in paragraphs 8.32 to 8.35).

***REASONS FOR RECOMMENDATIONS:***

- (1) To ensure that all relevant factors are considered in arriving at a budget (revenue and capital) and Council Tax level for 2025/26. To ensure that the budget is aligned to Council priorities for 2024-28 as set out in the Council Plan.
- (2) The Council's Investment Strategy is set to comply with relevant statutory guidance, including the CIPFA Prudential Code. The Strategy also sets out the Council's approach to risks in relation to the investment of surplus cash.

**COUNCIL**  
**27 February 2025**

**Report deferred (and amended) from Council Meeting on 23 January 2025**

## **PART 1 – PUBLIC DOCUMENT**

### **TITLE OF REPORT: COMMUNITY GOVERNANCE REVIEW - DRAFT PROPOSALS FOR PUBLIC CONSULTATION**

REPORT OF: DEMOCRATIC SERVICES MANAGER

EXECUTIVE MEMBER: Functions related to community governance – Non-Executive function.  
(Electoral Services: Community and Partnerships)

COUNCIL PRIORITY: THRIVING COMMUNITIES / ACCESSIBLE SERVICES / SUSTAINABILITY

#### **1. EXECUTIVE SUMMARY**

- 1.1 To consider the Draft Proposals that have been formulated from the responses to the first stage of consultation that closed on 7 October 2024.
- 1.2 To agree the recommendations for the second stage of public consultation of the Community Governance Review (CGR).

#### **2. RECOMMENDATIONS**

- 2.1. That the outcome of the first stage consultation be noted.
- 2.2. That Council agree the Draft Proposals for the Community Governance Review, launching a public consultation on these [note that the Final Recommendations will be considered at a future Council meeting, taking the results of the public consultation into account.]
- 2.3. That Council notes that hard-copy leaflets will be distributed to households in areas where external parish boundaries are proposed to be moved, new parish councils established, or new parish wards implemented.

#### **3. REASONS FOR RECOMMENDATIONS**

- 3.1. The Council is required to keep parish electoral arrangements under review. Following the Local Government Boundary Commission for England (LGBCE) review of district electoral arrangements (Council size and warding patterns), it is necessary to review parish arrangements across the district to bring them into alignment, ensure they remain

fit for purpose, and to ensure they continue to reflect local needs. This report provides Draft Proposals following the first round of public consultation. Before Final Recommendations can be developed and considered, there must be a public consultation on the Draft Proposals, the responses to which will be taken into account in forming the Final Recommendations.

#### **4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1. The Council committed to commence a CGR at its meeting on 11 July 2024. Therefore, following the initial consultation, the Council is required to take into account the responses received and develop Draft Proposals for further consultation.

#### **5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS**

- 5.1. A Consultant from the Association of Electoral Administrators has been instructed to be the day-to-day lead for organising and co-ordinating the CGR. The Consultant is able to provide specialist, experienced knowledge to assist in the delivery of the review at this time. Budget was agreed by Council in July 2024.
- 5.2. A Community Governance Review Working Group has been established where relevant officers and the Consultant meet on a regular basis with the Group Leaders.
- 5.3. The Working Group met on 18 November 2024 and again on 10 December 2024 to discuss the outcome of the first stage consultation and development of Draft Proposals, as included within this report. In reviewing and putting forward these Draft Proposals, the Working Group has not formed any set views on these, given the initial responses to the first stage of the consultation has been limited.
- 5.4. For the purposes of clarification, the Draft Proposals are required to comply with legislation and to enable meaningful consultation – the Draft Proposals are not a reflection of the views of the Council or of the Working Group or prejudice any future decision the Council may make.

#### **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. Council agreed to undertake a Community Governance Review (CGR), with the publication of the Terms of Reference and formal consultation commencing on 19 July 2024 in accordance with the Local Government and Public Involvement in Health Act 2007.
- 7.2. References in legislation to a 'parish' also include a parish which has an alternative style (such as 'town', 'village' or 'community' council) and parish meetings.
- 7.3. The Terms of Reference for the CGR were broad, allowing for a review of all aspects of community governance within the council area. This includes, for example, the creation or naming of a parish, the establishment of a separate parish from an existing parish,

alteration of parish boundaries, abolition or dissolution of a parish, change to parish electoral arrangements or parish grouping.

- 7.4. The overall timescales for the CGR are as follows, note that the dates for the second public consultation have been amended following deferral of the report:

<b>Date</b>	<b>Action</b>
11 July 2024	Full Council approves the Terms of Reference, signifying the start of the CGR.
19 July to 7 October 2024	First public consultation, lasting 11 weeks. Longer than usual to accommodate consulting over school holidays and to allow Parishes to meet in September to feed into the consultation.
November 2024 to December 2024	Review by Officers and development of Draft Proposals. CGR Working Group meetings held as appropriate to discuss, prior to consideration by Council.
23 January 2025	Draft Proposals to be considered by Council and approved for second round of consultation.
7 March <del>31 January</del> 2025 to 2 May <del>28 March</del> 2025	Second public consultation, on Draft Proposals.
	Review by Officers and development of Final Recommendations. CGR Working Group meetings held as appropriate to discuss, prior to consideration by Council.
July 2025	Full Council discuss and agree Final Recommendations.
July 2025	Reorganisation Order made.

- 7.5. Once approved, the final outcome of the CGR will be implemented ahead of the 2026 local elections. This means that new parish council areas (if any), changes to parish council areas (if any), changes in the number of parish councillors (if any), and any resulting changes in council tax arrangements for households all change at that time. Ahead of those changes, a review of polling districts and polling places will be carried out, to take account of changes to electoral areas.

#### **Decision-making process and statutory criteria**

- 7.6. The Local Government and Public Involvement in Health Act 2007 sets out two statutory criteria. The Council must, by law, have regard to the need to secure that community governance within the area under review:
- a. reflects the identities and interests of the community in that area, and
  - b. is effective and convenient.
- 7.7. In addition, the Council must take into account the 2010 government guidance ([published by DCLG](#)). The Council must also have due regard for responses submitted during the consultations and be open and transparent such that local stakeholders are made aware of the outcome of the decisions and the reasons behind those decisions.
- 7.8. Whilst Members are advised to read the DCLG guidance in its entirety, some key extracts are included below. Essentially, the guidance supports the 2007 Act requiring that local people are consulted, and that their views are taken into account during the CGR. Whilst North Herts Councillors are the decision-makers, those decisions must be based on

evidence submitted through the CGR consultation process. *Numbers refer to paragraph numbers in the DCLG guidance; emphasis added for clarity.*

7. The guidance supports and helps to implement key aspects of the 2006 white paper. The 2007 Act **requires that local people are consulted during a community governance review, that representations received in connection with the review are taken into account** and that steps are taken to notify them of the outcomes of such reviews including any decisions.

58. **It is clear that how people perceive where they live** - their neighbourhoods - is significant in considering the identities and interests of local communities and depends on a range of circumstances, often best defined by local residents. Some of the factors which help define neighbourhoods are the geography of an area, the make-up of the local community, sense of identity, and whether people live in a rural, suburban, or urban area.

59. Parishes in many cases may be able to meet the concept of neighbourhoods in an area. Parishes should reflect distinctive and recognisable communities of interest, with their own sense of identity. Like neighbourhoods, **the feeling of local community and the wishes of local inhabitants are the primary considerations.**

95. The recommendations **must take account of any representations received and should be supported by evidence which demonstrates that the recommended community governance arrangements would meet the criteria set out in the 2007 Act.** Where a principal council has conducted a review following the receipt of a petition, it will remain open to the council to make a recommendation which is different to the recommendation the petitioners wished the review to make. This will particularly be the case where the recommendation is not in the interests of the wider local community, such as where giving effect to it would be likely to damage community relations by dividing communities along ethnic, religious or cultural lines.

97. The aim of the 2007 Act is to open up a wider choice of governance to communities at the most local level. However, the Government considers that there is sufficient flexibility for principal councils not to feel 'forced' to recommend that the matters included in every petition must be implemented.

- 7.9. It is important to note that it is North Herts Council who decide community governance arrangements. Therefore, where difficult decisions must be made, consideration must be given to opposing and differing views in light of legislation, best practice, and official guidance. Best practice guidance includes, for example, not having 'island' or 'donut' parishes or parish wards which are wholly surrounded by one other parish or parish ward, and using identifiable markers for boundaries (such as rivers, railways, roads and the edges of properties).
- 7.10. Essentially proposals for change should first identify the identities and interests of the communities, and then consider the governance arrangements for that area.
- 7.11. Members are invited to note that the course of appeal is by way of Judicial Review, a potentially expensive and damaging mechanism open to local stakeholders if there is a

failure in the decision-making process. For example, a failure to consult properly, or a failure not to take into account relevant consideration, or conversely irrelevant issues are taken into account in reaching a decision. In other words, it is important to ensure that community governance decisions can be justified both evidentially and procedurally to avoid potential legal challenge.

- 7.12. It is also important to recognise that the number of responses received is not necessarily strong evidence on the strength of feeling either for or against any particular viewpoint. It is true that stakeholders preferring the status quo may not make representations until and unless there is a suggestion of significant change that they would otherwise oppose. Therefore, where little response was received, it cannot be assumed that local people are in favour of supporting the change proposed by a few submissions; they may well currently be unaware of those suggestions and happy with no change. That is why the second round of formal consultation is important.
- 7.13. The aim of a CGR is to ensure community governance arrangements are appropriate at a local level. It is therefore not appropriate to use Ward or Division boundaries to determine parish boundaries, although changes made through the recent LGBCE review of wards is taken into account.
- 7.14. Members are reminded that the scope of the CGR is defined in law. Whilst some responses have been received that are outside of the scope of the CGR, this Council has no authority to make decisions or recommendations on those matters and so cannot engage in meaningful discussion about them. Specifically, the CGR cannot consider or determine:
  - a. Parliamentary constituency boundaries
  - b. County Divisions, other than requesting consequential amendments are made to align with any changes to parish boundaries
  - c. District Wards, other than requesting consequential amendments are made to align with any changes to parish boundaries
  - d. The number of County or District councillors
  - e. The powers and authority of different tiers of government (for example, a CGR cannot recommend granting planning determination powers to parish councils)

### **Consultation**

- 7.15. The initial consultation took place from 19 July to 7 October 2024, inviting respondents to give their views on community governance arrangements in their local area and across the district. The following were consulted by sending details of the CGR and a link to the online feedback form:
  - a. all householders, via the authority-held mailing lists and links from the home page of the website
  - b. all parish councils
  - c. all District Councillors
  - d. relevant County Councillors
  - e. local political parties
  - f. Members of Parliament
  - g. Police & Crime Commissioner
- 7.16. A total of 133 responses were received (of which one was submitted on paper). Given the broad and open nature of the initial consultation, a wide range of responses were

received. These have been weighed against the statutory criteria and used to form the Draft Proposals that follow. Note that many respondents would not have been aware of these criteria when responding, although the points they have raised have been considered against those criteria as widely as possible. Note also that an initial consultation is, in its very nature, very difficult to respond to with meaningful proposals for change; many people find it easier to respond to specific recommendations and therefore an absence of commentary at this stage is not indicative of the feelings of local communities about governance in their area.

## 8. RELEVANT CONSIDERATIONS

### Introduction

- 8.1. Draft Proposals are proposed here, for discussion and subsequent agreement by Full Council. Once approved, there will be a public consultation on the Draft Proposals.
- 8.2. Members of the Working Group agreed the principle that a Draft Proposal must be both clear (easy to understand what the proposal is) and definite (making a recommendation, rather than leaving an area with no Draft Proposal and leaving a 'blank sheet' for consultation. This allows residents and elected bodies to respond effectively and makes clear the proposed outcome of the CGR for each area if nothing changes during the consultation period. This supports open consultation and democracy, encouraging responses to definite proposals.
- 8.3. No decisions are confirmed at this stage. The consultation process on the Draft Proposals is an essential part of the CGR, and responses will (by law) be taken into account in producing the Final Recommendations to Council.
- 8.4. This section of the report presents the rationale and evidence for the Draft Proposals.
- 8.5. The Council is required to publish the reasons for making its decisions as a result of a CGR. As such, a summary of the responses to the consultation are included at the appropriate section of the report, with all submissions included at the end, with personal information redacted or removed.
- 8.6. The sections of the report that follow show each area in turn, with consideration given for the boundary and geographical area, the name, and then the governance arrangements (such as numbers of councillors). Areas are shown in alphabetical order, but note that some changes in boundary arrangements are listed in both affected areas. The Draft Proposals included within the report for approval have been considered by the Community Governance Review Working Group.
- 8.7. Members are invited to note that, based on the underpinning legislation and guidance, which set out the statutory criteria for a CGR as well as the need to take into account local representations made through the consultation processes, at later stages the scope for making further changes or amending Final Recommendations may be limited by decisions made now. Any further suggestions must (1) be supported by evidence, (2) have been brought to the authority's attention during the CGR to date, and (3) have been consulted upon or raised through the consultation process. **This means that proposals for new governance arrangements cannot be considered at the final stage of the review only. Anything discounted at this stage and therefore not consulted upon cannot subsequently be included in the final recommendations.**



- 8.8. It is noted that the Council is required to continue to monitor community governance arrangements on an on-going basis, and a future CGR may be required in specific areas as further residential development takes place.
- 8.9. Note that maps are included where a proposed Draft Proposal includes a change to an existing boundary or creation of a new boundary. Maps that refer to more than one area may be included multiple times in the report, making each section effectively standalone.
- 8.10. In considering the number of parish councillors to serve a particular area, we have used the following:
- a. The statutory minimum number of councillors is five; there is no maximum, although it becomes more difficult and less effective or efficient to maintain an excessively large parish council. This allows North Herts Council to consider the current number of parish councillors by area, recognise the different situations within each area, and then assess the appropriate number of parish councillors by area. There is no requirement for the number of electors represented by a single parish councillor to be the same between different parishes, although they should be comparable between wards of the same parish.
  - b. Whilst the National Association of Local Councils (NALC) published guidance in 1988 on the suggested number of parish councillors per parish area based on the size of the electorate, these are non-statutory and there is no requirement for parish councils within an area to have equal ratios of electors to councillors. Further, these pre-date the digital age and do not necessarily reflect the ways in which parish councillors communicate with and represent their local communities. The CGR Working Group felt the NALC recommendations were overly generous with the number of parish councillors suggested, given the new ways in which parish councils now operate (for example, one existing Town Council would see an increase from 15 to 20 councillors overall). This would lead to a democratic deficit, with insufficient candidates to hold contested elections, an increase in co-opted members, and an increased number of ongoing vacancies/ ongoing co-options and a potential risk that no contested elections would take place.
  - c. An alternative approach, published in 1992 by the Aston Business School, set out the range of numbers of parish councillors based on the electorate. The CGR Working Group felt that, given the advances in technology outlined above that have transformed the ways of working for parish councillors, the lower end of these ranges should be used as a guideline for the proposed number of Councillors for each parish and town council, with a minimum of 7 (which allows for the work of the council to continue in the event of short-term absences):

<b>Number of electors</b>	<b>Councillors (Aston Business School report)</b>	<b>Proposed number of councillors</b>
< 500	5 – 8	7
501 – 2,500	6 – 12	7
2,501 – 10,000	9 – 16	9
10,001 – 20,000	13 – 27	13
> 20,000	13 – 31	13

- d. For warded parishes, the total number of councillors is based on the table above, with representation in each ward in proportion to the number of electors in that ward.
- e. Where proposals suggest a change in the number of parish councillors, this is based on the numbers above. As part of the consultation on the Draft Proposals, parish councils are invited to submit representations, if applicable and appropriate, to counter these draft proposals and encouraged to highlight how local governance is better served by different numbers than these recommendations, such as retaining the status quo.

Once approved by Full Council, there will be a public consultation on the Draft Proposals. That is, the Draft Proposals are for consultation; they are not finalised at this stage. The only way to feed into the decision-making process is via the public consultation process. Where a parish council, local resident, business or other organisation or body does not agree with a Draft Proposal they are invited to respond to the consultation stating their views, their reasons, and any alternative proposal. In general, Draft Proposals to create a new council or change a boundary must attain sufficient support (quantitatively and/or qualitatively) through the public consultation to indicate broad support for the change. Where a Draft Proposal is that the number of local councillors is changed, Parish and Town Councils will be encouraged to respond directly to confirm support or otherwise for the proposal, with their reasons. Best practice for a CGR consultation is that where it is proposed that the number of Councillors is changed (in line with the above recommendations) unless we receive representations to the contrary, the number of Councillors representing that area will increase.

Where a new Town Council is proposed, the CGR Working Group expects to see strong endorsement of the proposal from the local community in order to be able to support it as a Final Recommendation.

### **Draft Proposals**

- 8.11. This section of the report is listed in alphabetical order of parish or area.
- 8.12. In addition to taking the public consultation responses into account, these Draft Proposals have been shaped by internal analysis and review of current arrangements.

### **General responses (all areas)**

A total of 6 responses related to 'all' areas. Of these, one simply said "Yes", one said "1", and three contained the same allegations about discrimination taking place outside of the District, and outside of the remit of a CGR.

The remaining response acknowledged that arrangements "may need tweaking" but felt doing so was a waste of time and money. Once a CGR has commenced it cannot legally be stopped; the majority of other responses from local residents and parish councils and community groups have identified changes needed and therefore the value of the CGR. As this contribution does not provide any recommendations that can be implemented within a CGR, no further action is required.

## Ashwell

<b>Electorate</b>	1620	
<b>Number of councillors</b>	Current: 12	Proposal: 7
<b>Next elections</b>	2027	
<b>Consultation responses</b>	<p>A total of 5 responses were received:</p> <ul style="list-style-type: none"> <li>• Two, from the same respondent, said the parish should be in South Cambs and not Hertfordshire. The external boundaries of North Herts District, and Hertfordshire County, are outside of the scope of a CGR.</li> <li>• One respondent commented on the poor state of roads and lack of hedge-cutting, stating both that the parish council did nothing about it, and also that it was to save North Herts Council money. These are County Council functions, and in any case are not relevant considerations for a CGR.</li> <li>• One respondent noted they felt the parish worked well, but it seems to have many vacancies.</li> <li>• The parish council responded, with a request that the number of parish councillors be reduced from 12 to 9. This agrees with the NALC recommendation for a parish council of this size, although the proposed scale for NHC would see a greater reduction. The proposal is therefore the lower figure, with the parish council invited to make further representation as appropriate (noting that in general terms, local circumstance and the view of the existing parish always takes precedence over non-statutory guidance of parish councillor numbers).</li> </ul>	
<b>Draft Proposals</b>	<ol style="list-style-type: none"> <li>(1) Reduce the number of parish Councillors from 12 to 7.</li> <li>(2) Change the electoral cycle, such that the elections in 2027 result in a 5-year term of office ending in 2032; thereafter revert to 4-yearly terms in line with North Herts District elections.</li> </ol>	

## Baldock

<b>Electorate</b>	8134 Baldock East: 2327 Baldock West: 5807
<b>Number of councillors</b>	Not currently parished
<b>Next elections</b>	Not applicable
<b>Consultation responses</b>	<p>A total of 7 responses were received:</p> <ul style="list-style-type: none"> <li>• One spoke about a lack of engagement with the community, but did not go as far as suggesting a parish council be installed (the inference is that they felt the town already has a local council, but that it was not as engaged as they would have liked).</li> <li>• Four residents noted the town does not have a council, which they felt was disadvantageous in some circumstances (such as the expansion of the town and major developments) and meant a lack of local influence in decision making. The suggestion was that, as smaller nearby areas had their own parish council, Baldock should also have its own local council.</li> <li>• One resident felt no change was needed.</li> <li>• One local district councillor noted that the boundaries should be adjusted for the nearby parish areas of Clothall and Bygrave to exclude Baldock itself. However, they felt the town should not have a local council of its own, arguing that: <ul style="list-style-type: none"> <li>○ Local people are already actively volunteering and involved in the community.</li> <li>○ There is no need for an additional layer of democracy.</li> <li>○ They felt a town council would become unnecessary political leading to apathy and disinterest.</li> <li>○ As parish councillors are unpaid, they felt the representation would be limited with certain demographic groups less able to undertake the role due to time pressures and so leading to less representation.</li> <li>○ Local people do not wish to pay an additional precept on their council tax.</li> </ul> </li> </ul>
<b>Draft Proposals</b>	<p>(1) Adjust the external boundaries of Clothall and Bygrave parishes such that the town of Baldock is excluded from them; the new parish boundaries should follow the new district ward boundaries. Area CBW moves from Clothall to Baldock West; CBE from Clothall to Baldock East; BBE from Bygrave to Baldock East. See maps at the end of this report.</p> <p>(2) Whilst one local councillor and resident has eloquently explained why they feel Baldock should not have a local council, three residents felt the town should have one. At</p>

	<p>this stage, the first consultation, it is very difficult for people to assess the options available to them without further information or context. There is an argument that as the town expands, there may be an increased desire for local representation to help shape and influence growth in the town. Therefore, the Draft Proposal is to create a parish for Baldock, served by a new Town Council with 9 Councillors, subject to engagement from local residents through the consultation. The Town Council will have two wards, following the district wards: Baldock East: 3 Cllrs Baldock West: 6 Cllrs</p> <p>(3) To ensure local people are aware of the proposal to establish a Town Council and the opportunities and implications of it, hard-copy leaflets should be produced with the Comms team and distributed to every household in Baldock inviting them to respond to the consultation. The information will be entirely neutral, leaving the opportunity for local people to discuss and motivate the decision.</p>
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## Barkway

<b>Electorate</b>	716	
<b>Number of councillors</b>	Current: 7	Proposal: 7
<b>Next elections</b>	2027	
<b>Consultation responses</b>	A total of 1 response was received: <ul style="list-style-type: none"><li>• The respondent felt no change was required.</li></ul>	
<b>Draft Proposals</b>	(1) Change the electoral cycle, such that the elections in 2027 result in a 5-year term of office ending in 2032; thereafter revert to 4-yearly terms in line with North Herts District elections.	

**Barley**

<b>Electorate</b>	574	
<b>Number of councillors</b>	Current: 6	Proposal: 7
<b>Next elections</b>	2027	
<b>Consultation responses</b>	No responses were received during the consultation.	
<b>Draft Proposals</b>	(1) Increase the number of parish Councillors from 6 to 7. (2) Change the electoral cycle, such that the elections in 2027 result in a 5-year term of office ending in 2032; thereafter revert to 4-yearly terms in line with North Herts District elections.	

## Bygrave

<b>Electorate</b>	208	
<b>Number of councillors</b>	Current: 5	Proposal: 7
<b>Next elections</b>	2027	
<b>Consultation responses</b>	<p>A total of 4 responses were received that referred to Bygrave:</p> <ul style="list-style-type: none"> <li>• Three all mentioned that they felt the current arrangements for the parish work well, reflecting the rural nature of the community and noting the current housing, farming and business interests. However, one of these noted the significant new residential development that would, due to its size, overwhelm the current parish.</li> <li>• The one other response, which covered a range of parish areas, also advocated that the new development on the edge of Baldock (but technically within Bygrave parish) be included in Baldock and not Bygrave. This will ensure Bygrave remains a rural parish.</li> </ul>	
<b>Draft Proposals</b>	<ol style="list-style-type: none"> <li>(1) Adjust the boundary, such that the Bygrave parish boundary does not include any of the district ward of Baldock East. Area BBE from Bygrave to Baldock East. See maps at the end of this report.</li> <li>(2) Increase the number of parish Councillors from 5 to 7.</li> <li>(3) Change the electoral cycle, such that the elections in 2027 result in a 5-year term of office ending in 2032; thereafter revert to 4-yearly terms in line with North Herts District elections.</li> </ol>	



## Caldecote and Newnham

<b>Electorate</b>	87: Caldecote: 14 (2 Cllrs) Newnham: 73 (4 Cllrs)	
<b>Number of councillors</b>	Current: 6	Proposal: 7 total
<b>Next elections</b>	2027	
<b>Consultation responses</b>	<p>A total of 1 response was received. They felt the arrangements were effective and convenient, although would prefer more information about meetings (this being outside of the scope of a CGR).</p> <p>However, with such a small electorate the democratic burden is quite high – one in seven electors in Caldecote are parish councillors. It is up to local people if they prefer to retain a parish council or not, with the alternative being a parish meeting. However, given no residents suggested removing the parish council, and one supported current arrangements, the recommendation is for ‘no change’ and the retention of the parish council.</p>	
<b>Draft Proposals</b>	<p>(1) Increase the number of parish Councillors from 6 to 7: Caldecote: 2 Cllrs Newnham: 5 Cllrs</p> <p>(2) Change the electoral cycle, such that the elections in 2027 result in a 5-year term of office ending in 2032; thereafter revert to 4-yearly terms in line with North Herts District elections.</p>	

## Clothall

<b>Electorate</b>	126	
<b>Number of councillors</b>	Parish meeting	Proposal: n/a
<b>Next elections</b>	n/a	
<b>Consultation responses</b>	<p>A total of 2 responses was received, stating the arrangements work well at present. One referred to the parish boundary with Baldock.</p> <p>Clothall parish meeting currently extends into the two wards of Baldock East and Baldock West. As with Bygrave parish, this is due to the large-scale residential development on the edge of Baldock which is incorporated within the District wards in Baldock but not yet the parish.</p>	
<b>Draft Proposals</b>	<p>(1) Adjust the boundary, such that the Clothall parish does not include any of the district wards of Baldock East or Baldock West. Area CBW moves from Clothall to Baldock West; CBE from Clothall to Baldock East. See maps at the end of this report.</p>	

## Codicote

<b>Electorate</b>	2762: Codicote Village: 2123 (8 Cllrs) Codicote East: 639 (2 Cllrs)	
<b>Number of councillors</b>	Current: 10	Proposal: 9 total
<b>Next elections</b>	2026	
<b>Consultation responses</b>	<p>A total of 3 responses were received:</p> <ul style="list-style-type: none"> <li>• One simply replied “I do not know” in response to the questions.</li> <li>• One felt that parish councils are “ineffective”, suggesting that the district council ignores them and that the parish has been overdeveloped as a result (outside of the scope of a CGR).</li> <li>• The final response expressed concern about the lack of training for the parish councillors (outside the scope of the CGR) and lack of buses, GP surgery, parking restrictions and speed limits (all outside the scope of a CGR).</li> </ul>	
<b>Draft Proposals</b>	<p>(1) Decrease the number of parish Councillors from 10 to 9: Codicote Village: 6 Codicote East: 3</p> <p>(2) Change the electoral cycle, such that the elections in 2026 result in a 2-year term of office ending in 2028; thereafter revert to 4-yearly terms in line with North Herts District elections.</p>	

## Graveley

<b>Electorate</b>	356	
<b>Number of councillors</b>	Current: 5	Proposal: 7
<b>Next elections</b>	2027	
<b>Consultation responses</b>	<p>A total of 5 responses were received:</p> <ul style="list-style-type: none"> <li>• Two suggested including the development sites of GA1 and GA2 from Graveley and Weston into Great Ashby.</li> <li>• Two highlighted the benefits of their parish council in representing their community and preventing the loss of identity for the area. They did not want the parish to be merged with others nearby and felt it was important to be kept separate from Stevenage (although it is important to note there is no intention for the external district boundaries to be adjusted, and certainly not through this CGR). One (from a parish councillor) also wanted more information on the District council website about what a parish can and cannot do; this is outside of the scope of a CGR although NALC may be better placed in providing such advice to their member parish councils.</li> <li>• The final response raised concerns about an individual parish councillor, which are outside of the scope of the CGR. Concerns about the conduct of a parish councillor should be raised with the Monitoring Officer for investigation.</li> </ul>	
<b>Draft Proposals</b>	<p>(1) Increase the number of parish Councillors from 5 to 7.  (2) Change the electoral cycle, such that the elections in 2027 result in a 5-year term of office ending in 2032; thereafter revert to 4-yearly terms in line with North Herts District elections.</p>	

## Great Ashby

<b>Electorate</b>	4130	
<b>Number of councillors</b>	Current: 12	Proposal: 9
<b>Next elections</b>	2027	
<b>Consultation responses</b>	<p>A total of 6 responses were received, in addition to those for Graveley and Weston regarding the boundary:</p> <ul style="list-style-type: none"> <li>• One felt Great Ashby should remain in North Herts and the parish council area expanded to cover the whole of the developed area.</li> <li>• Two felt Great Ashby should be part of Stevenage. However, adjusting the external district boundaries is outside of the scope of a CGR.</li> <li>• One resident felt there was no need for a parish council and no sense of identity within the parish.</li> <li>• The Parish Council provided a detailed response to the consultation, outlining some of the work they have done. They confirmed they felt 12 councillors was the right number. In terms of the parish boundary, they felt that until the sites at GA1 and GA2 were confirmed and established it would not be reasonable to adjust the parish boundaries. To some extent, this follows convention as it is often the local residents of a new site that are best-placed to determine which parish they feel most aligned with. Despite other submissions to the contrary, therefore, the parish council view for not adjusting the boundaries to take on additional (as yet unbuilt) properties takes precedence.</li> </ul>	
<b>Draft Proposals</b>	<ol style="list-style-type: none"> <li>(1) Reduce the number of parish Councillors from 12 to 9.</li> <li>(2) Change the electoral cycle, such that the elections in 2027 result in a 5-year term of office ending in 2032; thereafter revert to 4-yearly terms in line with North Herts District elections.</li> </ol>	

**Hexton**

<b>Electorate</b>	89	
<b>Number of councillors</b>	Parish meeting	Proposal: n/a
<b>Next elections</b>	n/a	
<b>Consultation responses</b>	A total of 1 response was received. The respondent felt voting was easy at the current polling place, but felt the community doesn't get any support from the Council (presumably the district).	
<b>Draft Proposals</b>	No changes required.	

## Hinxworth

<b>Electorate</b>	250	
<b>Number of councillors</b>	Current: 5	Proposal: 7
<b>Next elections</b>	2027	
<b>Consultation responses</b>	<p>A total of 2 responses were received:</p> <ul style="list-style-type: none"> <li>• One felt that, when a parish councillor resigns, their post should be up for election and not co-option. When a parish councillor resigns or leaves office, there is a statutory process that must be followed – the parish must publish a notice of vacancy, and local electors in the parish may request an election to take place to fill that vacancy; if sufficient requests are not received the parish may fill the vacancy by co-option. This process cannot be changed through a CGR.</li> <li>• One felt that the views of parts of the parish, from outside the core village, had not been taken into account by the parish in responding to planning applications. They felt adjustments to the planning process and parish council involvement would be beneficial. Whilst planning is outside of the scope of a CGR, it is important that local people are adequately represented by their parish council and through effective local governance arrangements. One option to enforce this is to implement parish wards, with each ward covering different parts of the parish to ensure views are represented. However, given the small size of Hinxworth parish this does not appear to be a viable option.</li> </ul>	
<b>Draft Proposals</b>	<p>(1) Increase the number of parish Councillors from 5 to 7.  (2) Change the electoral cycle, such that the elections in 2027 result in a 5-year term of office ending in 2032; thereafter revert to 4-yearly terms in line with North Herts District elections.</p>	

## Hitchin

<b>Electorate</b>	27088 Bearton: 6941 Highbury: 4926 Oughton: 4153 Priory: 4615 Walsworth: 6453	
<b>Number of councillors</b>	Unparished	Proposal: n/a
<b>Next elections</b>	N/a	
<b>Consultation responses</b>	<p>A total of 16 responses were received:</p> <ul style="list-style-type: none"> <li>• One: "Hitchin may also benefit from being made a parish to be a more democratic focal point for the town's community identity. If the district council is minded to create a parish of Hitchin, would recommend transferring the North parish ward from St Ippolyts into the new Hitchin parish as having long been part of the Hitchin urban area."</li> <li>• Ten specifically asked for a town council to be considered or created, and gave specific reasons for wanting a town council – supporting local democracy, ensuring representation, and providing local services.</li> <li>• Two were happy with current arrangements.</li> <li>• Two were opposed to creating a new parish council.</li> <li>• One opposed a new council unless a Unitary Authority was likely, in which case a local council would be important. There are currently no plans to implement a Unitary Authority in the area.</li> </ul> <p>On balance, given the views expressed wishing for Town Council, the Draft Proposal is to establish a Town Council for Hitchin. Local people can then consider the options and respond, via the consultation, to advise if they support a Town Council or oppose it.</p> <p>With respect of the St Ippolyt's North residents, the decision as to whether they should be part of Hitchin should rest with them. Given the boundary of the parish cuts through communities, on the face it appears that they would be better served by being in Hitchin. However, only residents of that area can determine their preference based on community identity, and effective and convenient local governance. Therefore the Draft Proposal is that St Ippolyt's North becomes part of Hitchin, subject to the result of the consultation.</p>	
<b>Draft Proposals</b>	<p>(1) Move St Ippolyt's North parish ward from St Ippolyt's to Hitchin. Area INH moves St Ippolyt's North to Hitchin Priory parish ward. See maps at the end of this report.</p> <p>(2) Create a new parish for Hitchin, served by a new Town Council, subject to engagement from local residents</p>	



	<p>through the consultation, with wards that align to the district wards:</p> <p>Hitchin Priory (includes St Ippolyt's North): 3 Hitchin Oughton: 2 Hitchin Bearton: 3 Hitchin Walsworth: 3 Hitchin Highbury: 2</p> <p>[If St Ippolyt's North does not move to Hitchin, the total number of councillors would still be 13, split thus: Priory 2, Oughton 2, Bearton 3, Walsworth 3, Highbury 3]</p> <p>(3) To ensure local people are aware of the proposal to establish a Town Council and the opportunities and implications of it, hard-copy leaflets should be produced with the Comms team and distributed to every household in Hitchin inviting them to respond to the consultation. The information will be entirely neutral, leaving the opportunity for local people to discuss and motivate the decision.</p>
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## Holwell

<b>Electorate</b>	334	
<b>Number of councillors</b>	Current: 5	Proposal: 7
<b>Next elections</b>	2027	
<b>Consultation responses</b>	<p>A total of 2 responses were received, from the same resident. They raised concerns about communication and representation from the parish council. They also felt Holwell could merge with Ickleford parish to create a larger a more efficient parish council.</p> <p>Merging Ickleford and Holwell parishes would result in Holwell being a parish ward within Ickleford parish. There would not necessarily be an increase in local representation, nor in communication between the council and residents. The issues raised by the respondent (apparent lack of scrutiny, poor cashflow management, lack of representation, lack of external speakers at meetings) would not be resolved by merging the parish. It is therefore unlikely that merging the parish would be in the best interest of local residents.</p>	
<b>Draft Proposals</b>	<ol style="list-style-type: none"> <li>(1) Increase the number of parish Councillors from 5 to 7.</li> <li>(2) Change the electoral cycle, such that the elections in 2027 result in a 5-year term of office ending in 2032; thereafter revert to 4-yearly terms in line with North Herts District elections.</li> </ol>	

**Ickleford**

<b>Electorate</b>	1704	
<b>Number of councillors</b>	Current: 8	Proposal: 7
<b>Next elections</b>	2027	
<b>Consultation responses</b>	<p>A total of 5 responses were received:</p> <ul style="list-style-type: none"> <li>• One simply said “Satisfactory”.</li> <li>• One referred mainly to Hitchin.</li> <li>• The remaining three all refer to the development at the far north of the parish, known as Lavender Grange. This area is essentially a development stemming from Henlow parish and Stondon parish, both in Bedfordshire. The community are physically distant from the rest of Ickleford, and have reported issues as a result. A CGR has no scope to change the external boundary of the district, and so Lavender Grange remains part of Ickleford. However, there is one option that could support greater representation for local residents in Lavender Grange – the introduction of a new parish ward to serve that area. However, whilst this would increase the democratic cost and complexity of elections, it would not guarantee that local people from Lavender Grange would stand for election to represent their community, and even if they did it will not resolve some of the longstanding issues (such as with the Royal Mail postcodes). However, the option for specific representation via a distinct parish ward should be offered to local residents. The Draft Proposal, therefore, is to create a parish ward for the northern part of Ickleford.</li> </ul>	
<b>Draft Proposals</b>	<ol style="list-style-type: none"> <li>(1) Reduce the number of parish Councillors from 8 to 7.</li> <li>(2) Create a parish ward for the Lavender Grange community, subject to engagement from local residents through the consultation (Area ILG; see maps at the end of this report): Ickleford parish ward: 5 councillors Lavender Grange: 2 councillors</li> <li>(3) Ensure local people in Lavender Grange are aware of this proposal, and invite them to respond, via a hard-copy distribution in the affected area.</li> <li>(4) Change the electoral cycle, such that the elections in 2027 result in a 5-year term of office ending in 2032; thereafter revert to 4-yearly terms in line with North Herts District elections.</li> </ol>	

**Kelshall**

<b>Electorate</b>	128	
<b>Number of councillors</b>	Parish meeting	Proposal: n/a
<b>Next elections</b>	n/a	
<b>Consultation responses</b>	A total of 1 response was received. This respondent noted that residents within their community of around 10 properties were excluded from the catchment of 'every senior school' but should be included. This is not within the scope of a CGR, and the best route to raise such concerns is via the County Council, potentially through the local County Councillor.	
<b>Draft Proposals</b>	No changes.	

## Kimpton

<b>Electorate</b>	1835	
<b>Number of councillors</b>	Current: 8	Proposal: 7
<b>Next elections</b>	2026	
<b>Consultation responses</b>	<p>A total of 5 responses were received:</p> <ul style="list-style-type: none"> <li>• Two felt the current arrangements were appropriate, although one noted improved communication from the parish council would be beneficial.</li> <li>• One noted that links towards St Albans were clearer and stronger than those towards Hitchin and elsewhere in the district, although a CGR does not alter external district boundaries.</li> <li>• One existing parish councillor raised a number of issues. These included: the need to recognise the value of parish councils (noted); the need for improved governance, legislative reviews, and training for councillors (reviews of legislation are outside of the scope of a CGR, and training of parish councillors is within the remit of the parish council supported by their professional networks); increased use of technology (outside of the scope of a CGR), holding of regular elections (these take place every 4 years, although are only contested if sufficient candidates stand; this is outside of the remit of a CGR). They also suggested that some parish and district councils could be consolidated (i.e. parishes abolished) leaving remunerated neighbourhood councillors to deliver services; this novel approach to local government reorganisation is outside of the scope of a CGR and would be best directed to DLUHC for consideration.</li> <li>• The parish council responded to advise they are satisfied with current arrangements.</li> </ul>	
<b>Draft Proposals</b>	<p>(1) Reduce the number of parish Councillors from 8 to 7.  (2) Change the electoral cycle, such that the elections in 2026 result in a 2-year term of office ending in 2028; thereafter revert to 4-yearly terms in line with North Herts District elections.</p>	

## Kings Walden

<b>Electorate</b>	814: Kings Walden: 181 (2 Cllrs) Breachwood Green: 633 (6 Cllrs)	
<b>Number of councillors</b>	Current: 8	Proposal: 7 total
<b>Next elections</b>	2027	
<b>Consultation responses</b>	<p>A total of 4 responses were received:</p> <ul style="list-style-type: none"> <li>• One felt the arrangements work well.</li> <li>• Two were unaware of the work of the parish council.</li> <li>• The fourth felt that Langley parish meeting should be merged with Kings Walden, St Paul's and Preston parishes to create one large parish. This view was not echoed by any other response for any of the other parish areas. Therefore, on balance, it appears to not reflect the views of the broader community.</li> </ul>	
<b>Draft Proposals</b>	<p>(1) Reduce the number of parish Councillors from 8 to 7: Kings Walden: 2 Breachwood Green: 5</p> <p>(2) Change the electoral cycle, such that the elections in 2027 result in a 5-year term of office ending in 2032; thereafter revert to 4-yearly terms in line with North Herts District elections.</p>	

## Knebworth

<b>Electorate</b>	3578	
<b>Number of councillors</b>	Current: 12	Proposal: 9
<b>Next elections</b>	2026	
<b>Consultation responses</b>	<p>A total of 10 responses were received. Most were supportive of the current arrangements and boundaries. As with many parishes in the area, some properties that are ostensibly within Knebworth are just outside the district boundary (which is not changing through this CGR).</p> <ul style="list-style-type: none"> <li>• One respondent felt that small parishes and small councils become too divisive, although the role of parish councils is to represent small local areas.</li> <li>• One respondent noted that the shape of the parish boundaries has resulted in some anomalies, with near neighbours not being in the same parish but distant ones being in the same parish. This is inevitable given the historic parish boundaries that have been adjusted over time to avoid other developing towns.</li> <li>• One respondent suggested adjusting the parish boundary to align with the district ward; this would see part of Codicote parish being moved into Knebworth simply to align the boundaries. This does not appear to be reflective of the communities in either parish.</li> <li>• One respondent raised a number of points: they felt the parish's comprehensive plan had been ignored by the district; that the parish council was important to ensure local views were represented. They also raised a number of concerns outside of the scope of a CGR (highway maintenance, street cleaning, surface water drainage). Overall, this respondent felt the parish council had a place and was of value to the local community.</li> </ul>	
<b>Draft Proposals</b>	<p>(1) Reduce the number of parish Councillors from 12 to 9.  (2) Change the electoral cycle, such that the elections in 2026 result in a 2-year term of office ending in 2028; thereafter revert to 4-yearly terms in line with North Herts District elections.</p>	

## Langley

<b>Electorate</b>	152	
<b>Number of councillors</b>	Parish meeting	Proposal: n/a
<b>Next elections</b>	n/a	
<b>Consultation responses</b>	A total of 1 response was received, as noted above, suggesting merging Langley with neighbouring parishes. This does not appear to reflect the identities and interests of local communities.	
<b>Draft Proposals</b>	None.	



**Letchworth**

<b>Electorate</b>	25617	
<b>Number of councillors</b>	Not parished	Proposal: n/a
<b>Next elections</b>	n/a	
<b>Consultation responses</b>	<p>A total of 12 responses were received. With one exception, all of the respondents were satisfied with there being no parish council and several noted the previous parish council was abolished some time ago. The one remaining response felt the Heritage Foundation was an anomaly and should be replaced by a parish council.</p> <p>On balance, given the previous history of an unsuccessful parish council in Letchworth and the clear strength of feeling against reintroducing one, there are no proposals to have a parish council for Letchworth.</p> <p>If changes implemented through future Local Government Reorganisation would indicate that Letchworth would be under-represented by not having a Town Council, this decision can be revisited in a specific and targeted CGR at the time.</p>	
<b>Draft Proposals</b>	None.	

**Lilley**

<b>Electorate</b>	314	
<b>Number of councillors</b>	Current: 7	Proposal: 7
<b>Next elections</b>	2027	
<b>Consultation responses</b>	No responses received.	
<b>Draft Proposals</b>	(1) Change the electoral cycle, such that the elections in 2027 result in a 5-year term of office ending in 2032; thereafter revert to 4-yearly terms in line with North Herts District elections.	

**Nuthampstead**

<b>Electorate</b>	115	
<b>Number of councillors</b>	Parish meeting	Proposal: n/a
<b>Next elections</b>	n/a	
<b>Consultation responses</b>	No responses received.	
<b>Draft Proposals</b>	None.	

## Offley

<b>Electorate</b>	1268: Offley: 860 (5 Cllrs) Cockernhoe: 408 (4 Cllrs)	
<b>Number of councillors</b>	Current: 9	Proposal: 7 total
<b>Next elections</b>	2027	
<b>Consultation responses</b>	<p>A total of 4 responses were received:</p> <ul style="list-style-type: none"> <li>• Two were supportive of current arrangements.</li> <li>• Two (one from a local parish councillor, and the other from a respondent who made submissions about a number of areas) felt a realignment of parishes might be valuable – separating Cockernhoe from Offley. One of these also suggested including Lilley instead to have a shared parish to address shared issues such as bus services. However, bus services are outside of the remit of a parish council, and although lobbying and campaigning for improvements and change is very much a matter for local councils, that may have more weight as two separate councils making the same requests rather than a single council making a request. As a result, and in the absence of further evidence suggesting the parishes should be reconfigured, there are no proposals to change Offley parish boundaries.</li> </ul> <p>Whilst there may be merit in splitting Offley into two parishes, there would be a loss in terms of economies of scale – each of the two much smaller parishes would have an overhead in terms of administrative and democratic support. It is generally unusual to create small parishes in recent times, with most small parishes having historic roots. It is therefore unlikely to be in the best interests of the communities to split the parish into two. After careful consideration, it is proposed to retain Offley and Cockernhoe as a single parish. As future developments progress and new residents occupy properties in the area, it may be prudent to conduct a separate and specific CGR to revisit this. It is the views of the residents in the parish, including and in particular those new residents who will in future occupy the new developments, that will be pertinent in those discussions.</p>	
<b>Draft Proposals</b>	<p>(1) Reduce the number of parish Councillors from 9 to 7: Offley: 5 Cockernhoe: 2</p> <p>(2) Change the electoral cycle, such that the elections in 2027 result in a 5-year term of office ending in 2032; thereafter revert to 4-yearly terms in line with North Herts District elections.</p>	

**Pirton**

<b>Electorate</b>	1245	
<b>Number of councillors</b>	Current: 9	Proposal: 7
<b>Next elections</b>	2027	
<b>Consultation responses</b>	<p>A total of 6 responses were received:</p> <ul style="list-style-type: none"> <li>• The parish council felt the arrangements were appropriate with no changes, but noted they would prefer election dates to coincide with those of the district.</li> <li>• One commented on electoral administration, and one advocated the introduction of proportional representation (outside of the scope of a CGR).</li> <li>• One felt parish council meetings could take place online to make them more accessible (this is outside of the scope of a CGR).</li> <li>• The other respondents were happy with current arrangements or felt unable to comment upon them.</li> </ul>	
<b>Draft Proposals</b>	<p>(1) Reduce the number of parish Councillors from 9 to 7.  (2) Change the electoral cycle, such that the elections in 2027 result in a 5-year term of office ending in 2032; thereafter revert to 4-yearly terms in line with North Herts District elections.</p>	

**Preston**

<b>Electorate</b>	352	
<b>Number of councillors</b>	Current: 7	Proposal: 7
<b>Next elections</b>	2027	
<b>Consultation responses</b>	A total of 1 response was received, from the parish council, who felt the arrangements in place remained appropriate.	
<b>Draft Proposals</b>	(1) Change the electoral cycle, such that the elections in 2027 result in a 5-year term of office ending in 2032; thereafter revert to 4-yearly terms in line with North Herts District elections.	

**Radwell**

<b>Electorate</b>	113	
<b>Number of councillors</b>	Parish meeting	Proposal: n/a
<b>Next elections</b>	n/a	
<b>Consultation responses</b>	No responses received.	
<b>Draft Proposals</b>	None.	

**Reed**

<b>Electorate</b>	265	
<b>Number of councillors</b>	5	Proposal: 5
<b>Next elections</b>	2027	
<b>Consultation responses</b>	<p>A total of 5 responses were received:</p> <ul style="list-style-type: none"> <li>• Four were supportive of the current arrangements, noting the boundaries and sense of identity and community within the parish.</li> <li>• The response from Reed Parish Council noted that the boundaries are correct. They have considered increasing the number of councillors, but concluded there is no need to at present (on that basis, there is no Draft Proposal for Reed parish council to increase the number of parish councillors).</li> </ul>	
<b>Draft Proposals</b>	<p>(1) Change the electoral cycle, such that the elections in 2027 result in a 5-year term of office ending in 2032; thereafter revert to 4-yearly terms in line with North Herts District elections.</p>	



## Royston Town

<b>Electorate</b>	13544 District ward Heath: 3885 District ward Meridian: 5357 District ward Palace: 4302	
<b>Number of councillors</b>	Current: 15 If no changes are made, the following will take effect from 2026: Garden Lane: 1 Cllr Meridian: 5 Cllrs Palace: 4 Cllrs South: 1 Cllrs West: 3 Cllrs Willowside: 1 Cllr	Proposal: 13 in total
<b>Next elections</b>	2026	
<b>Consultation responses</b>	<p>A total of 12 responses were received. At present, Royston is split into multiple small wards following the LGBCE review of district wards, and one aim of this CGR is, subject to local support through the consultation, to resolve that.</p> <ul style="list-style-type: none"> <li>• Whilst most supported the current arrangements, several noted the need to realign the town wards to the district ward boundaries.</li> <li>• One respondent felt the Town Council should be abolished, with the district being the only local council for the town. Another felt there should be no Town Council wards (this is not an option as the district wards require equivalent Town Council wards).</li> <li>• One respondent felt the number of Councillors was too high.</li> <li>• The Town Council response, echoed by a response from a parish councillor and by local residents, was that the Town should have three wards and elections should be adjusted to come into line with the district elections.</li> </ul>	
<b>Draft Proposals</b>	<ol style="list-style-type: none"> <li>(1) Abolish the current Town wards and replace with wards that align completely with the district wards.</li> <li>(2) Reduce the number of Town Councillors from 15 to 13: Heath: 4 Meridian: 5 Palace: 4</li> <li>(3) Change the electoral cycle, such that the elections in 2026 result in a 2-year term of office ending in 2028; thereafter revert to 4-yearly terms in line with North Herts District elections.</li> </ol>	

## Rushden and Wallington

<b>Electorate</b>	335 Rushden: 214 (3 Cllrs) Wallington: 121 (2 Cllrs)	
<b>Number of councillors</b>	Current: 5	Proposal: 7 total
<b>Next elections</b>	2027	
<b>Consultation responses</b>	<p>A total of 4 responses were received:</p> <ul style="list-style-type: none"> <li>• Two were supportive, with no changes recommended.</li> <li>• The other two, whilst very supportive of the current arrangements, noted that Redhill village is currently split between Rushden &amp; Wallington and Sandon. Both felt the village is better represented and better served by Rushden &amp; Wallington. Whilst just over half of the small community is in Sandon, they are much closer geographically to Rushden and Wallington villages. The general view for all CGR matters is for the local residents to determine which parish they feel most closely aligned with. Therefore, the Draft Proposal is for the community to be moved into Rushden &amp; Wallington (Wallington parish), and for the affected residents to be consulted prior to the Final Recommendations being completed. To ensure local views are heard, a further recommendation is to deliver hard-copy information to all households in Redhill, regardless of which parish they currently reside in.</li> </ul>	
<b>Draft Proposals</b>	<ol style="list-style-type: none"> <li>(1) Move the boundary such that the whole of Redhill village is in Wallington parish (moving some from Rushden, and some from Sandon). Area SW moves from Sandon to Wallington; RW from Rushden to Wallington. See maps at the end of this report.</li> <li>(2) Deliver hard-copy information to all residents in Redhill parish regarding this Draft Proposal.</li> <li>(3) Increase the number of parish Councillors from 5 to 7: Rushden: 4 Wallington: 3</li> <li>(4) Change the electoral cycle, such that the elections in 2027 result in a 5-year term of office ending in 2032; thereafter revert to 4-yearly terms in line with North Herts District elections.</li> </ol>	

**Sandon**

<b>Electorate</b>	404	
<b>Number of councillors</b>	Current: 6	Proposal: 7
<b>Next elections</b>	2027	
<b>Consultation responses</b>	A total of 2 responses were received that referred to Sandon, both advocating for the village of Redhill to be moved entirely to Wallington.	
<b>Draft Proposals</b>	<p>(1) As noted above, move the boundary such that the whole of Redhill village is in Wallington parish (moving some from Rushden, and some from Sandon). Area SW moves from Sandon to Wallington. See maps at the end of this report.</p> <p>(2) Increase the number of parish Councillors from 6 to 7.</p> <p>(3) Change the electoral cycle, such that the elections in 2027 result in a 5-year term of office ending in 2032; thereafter revert to 4-yearly terms in line with North Herts District elections.</p>	

## St. Ippolyts

<b>Electorate</b>	1644: South: 907 (5 Cllrs) North: 737 (3 Cllrs)	
<b>Number of councillors</b>	Current: 8	Proposal: 7 total
<b>Next elections</b>	2028	
<b>Consultation responses</b>	<p>A total of 4 responses were received:</p> <ul style="list-style-type: none"> <li>• The parish council supported no change.</li> <li>• One respondent advocated abolishing this and all other parish councils.</li> <li>• The other two responses were broadly supportive of the parish, but raised specific points (requesting a monthly local market, and support for children’s play areas) that are outside of the scope of a CGR.</li> </ul>	
<b>Draft Proposals</b>	<p>(1) As noted above, move St Ippolyt’s North parish ward from St Ippolyt’s to Hitchin following consultation with local residents. Area INH moves St Ippolyt’s North to Hitchin Priory parish ward. See maps at the end of this report.</p> <p>(2) Either:</p> <ol style="list-style-type: none"> <li>a. If the move of St Ippolyt’s North to Hitchin <u>does</u> go ahead, then reduce the number of parish Councillors from 8 to 7.</li> <li>or:</li> <li>b. If the move of St Ippolyt’s North to Hitchin <u>does not</u> go ahead, then reduce the number of parish Councillors from 8 to 7:  <ul style="list-style-type: none"> <li>South: 4</li> <li>North: 3</li> </ul> </li> </ol>	

**St. Paul`s Walden**

<b>Electorate</b>	1081	
<b>Number of councillors</b>	Current: 7	Proposal: 7
<b>Next elections</b>	2028	
<b>Consultation responses</b>	No responses received.	
<b>Draft Proposals</b>	No changes.	

**Therfield**

<b>Electorate</b>	451	
<b>Number of councillors</b>	Current: 7	Proposal: 7
<b>Next elections</b>	2027	
<b>Consultation responses</b>	No responses received.	
<b>Draft Proposals</b>	(1) Change the electoral cycle, such that the elections in 2027 result in a 5-year term of office ending in 2032; thereafter revert to 4-yearly terms in line with North Herts District elections.	

## Weston

<b>Electorate</b>	813	
<b>Number of councillors</b>	Current: 9	Proposal: 7
<b>Next elections</b>	2027	
<b>Consultation responses</b>	A total of 1 response was received, from the parish council. They advise they are happy with the current arrangements but note that changes may be required in the future if the development site GA2 is built-out. At that time, there may be a need to adjust the parish boundaries such that the development is included in Great Ashby rather than Weston.	
<b>Draft Proposals</b>	<ol style="list-style-type: none"><li>(1) Reduce the number of Parish Councillors from 9 to 7.</li><li>(2) Change the electoral cycle, such that the elections in 2027 result in a 5-year term of office ending in 2032; thereafter revert to 4-yearly terms in line with North Herts District elections.</li></ol>	

## Wymondley

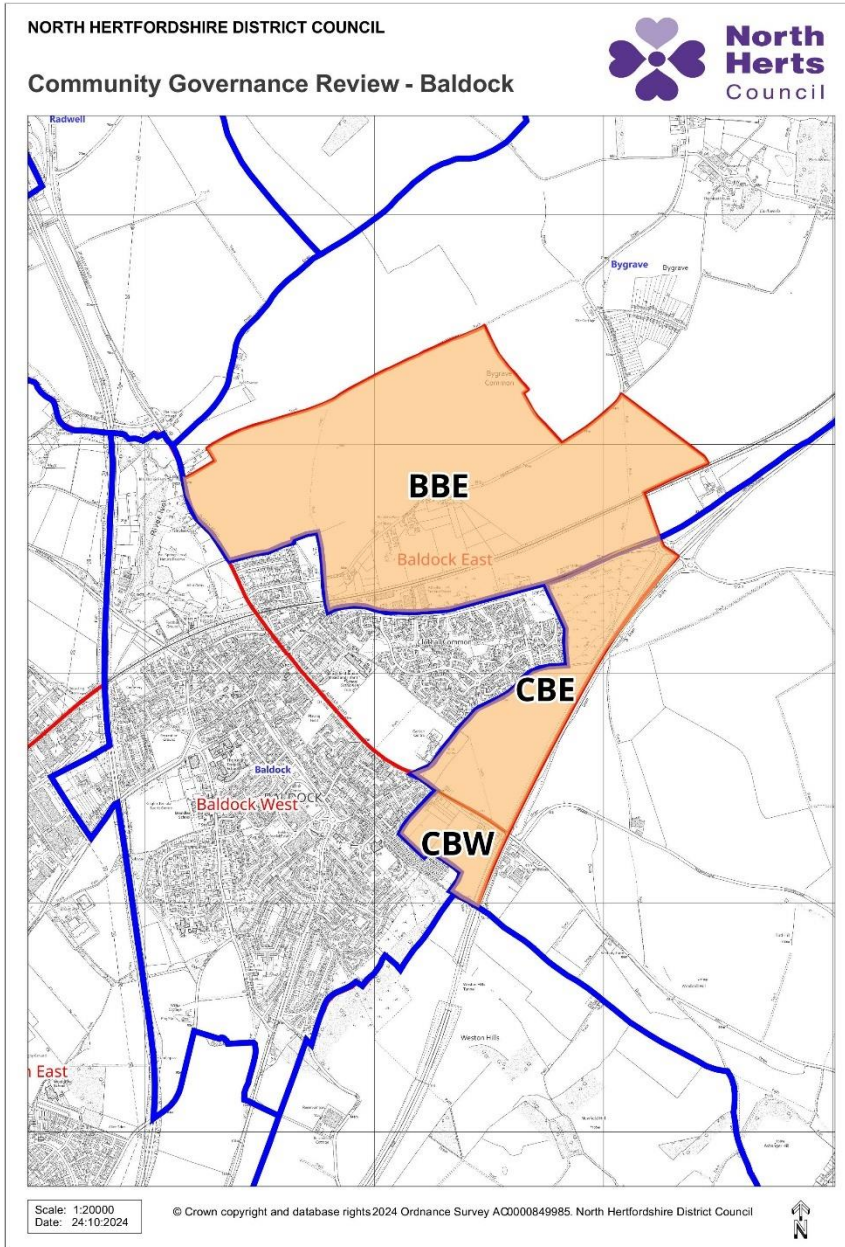
<b>Electorate</b>	902: Gt Wymondley: 137 (2 Cllrs) Lt Wymondley: 642 (5 Cllrs) Todds Green: 123 (1 Cllr)	
<b>Number of councillors</b>	Current: 8 total	Proposal: 7
<b>Next elections</b>	2027	
<b>Consultation responses</b>	<p>A total of 3 responses were received:</p> <ul style="list-style-type: none"> <li>• One referred to restoring Wymondley station and opening a local shop; both are outside of the remit of a CGR.</li> <li>• One felt that Todd's Green should be moved from Stevenage into Wymondley; external district boundaries cannot be adjusted through a CGR.</li> <li>• The third felt broadly satisfied with the current arrangements but felt that a disproportionate amount of parish council spending was in just one of the villages and called for greater transparency and distribution. This is outside of the scope of a CGR.</li> </ul>	
<b>Draft Proposals</b>	<p>(1) Reduce the number of parish Councillors from 8 to 7: Gt Wymondley: 1 Cllr Lt Wymondley: 5 Cllrs Todds Green: 1 Cllr</p> <p>(2) Change the electoral cycle, such that the elections in 2027 result in a 5-year term of office ending in 2032; thereafter revert to 4-yearly terms in line with North Herts District elections.</p>	



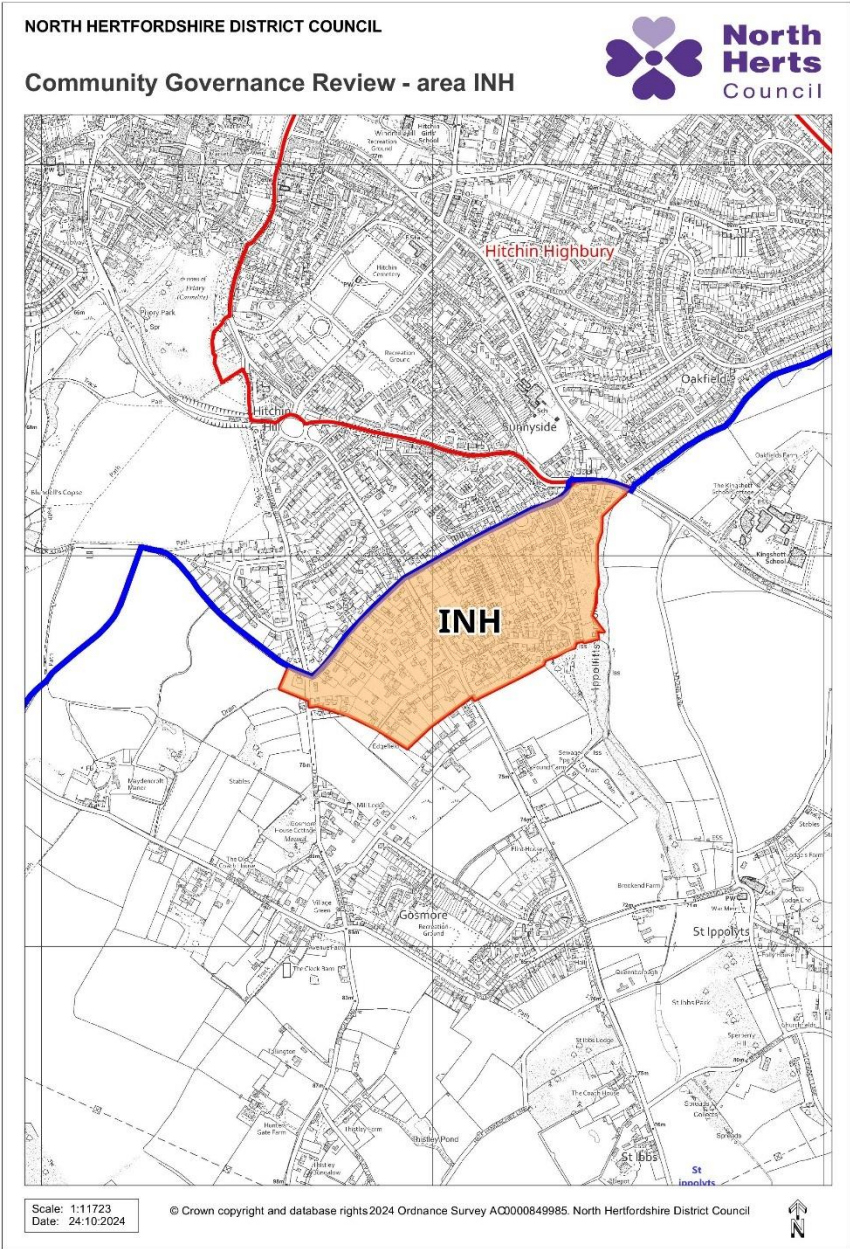
**MAPS**

*Baldock, Bygrave, Clothall.*

Area CBW moves from Clothall to Baldock West; CBE from Clothall to Baldock East; BBE from Bygrave to Baldock East.

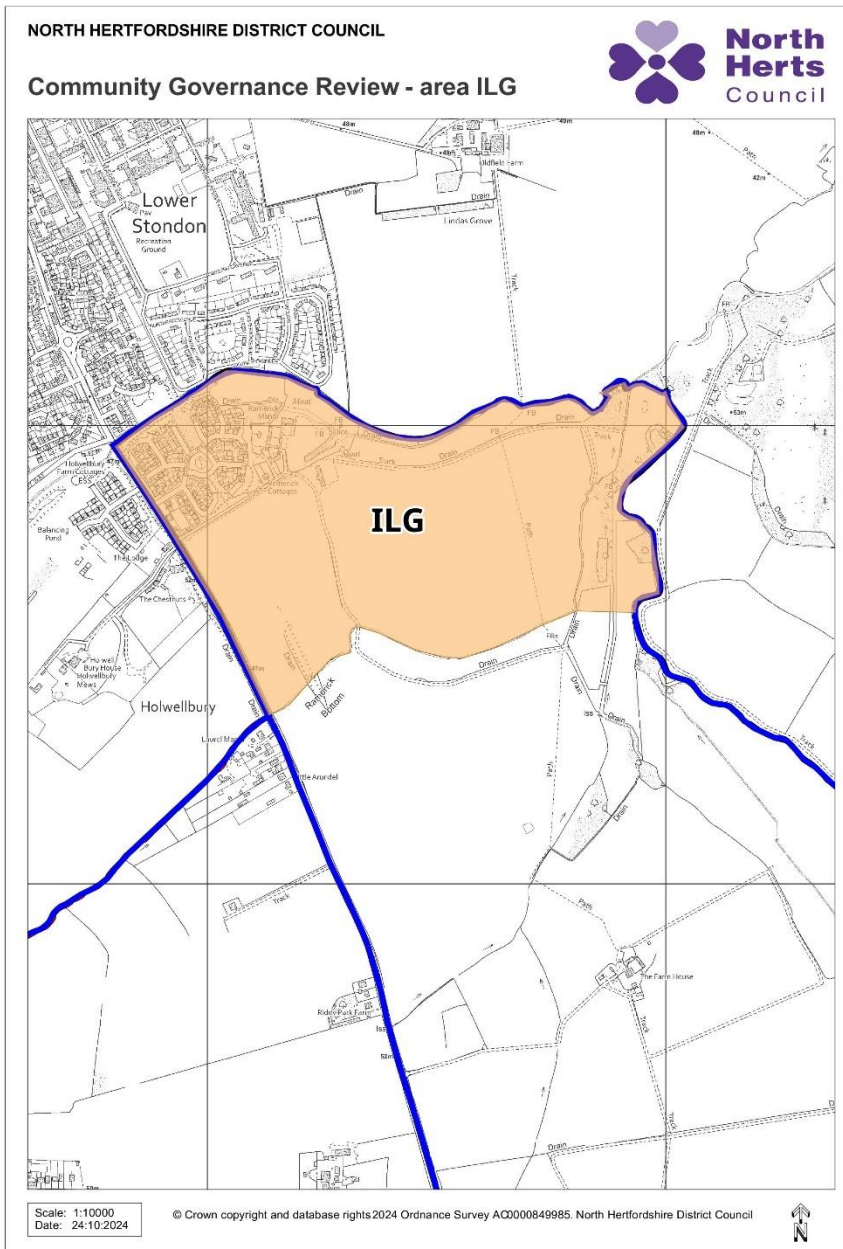


*Hitchin & St Ippolyt's*  
Area INH moves St Ippolyt's North to Hitchin Priory parish ward.

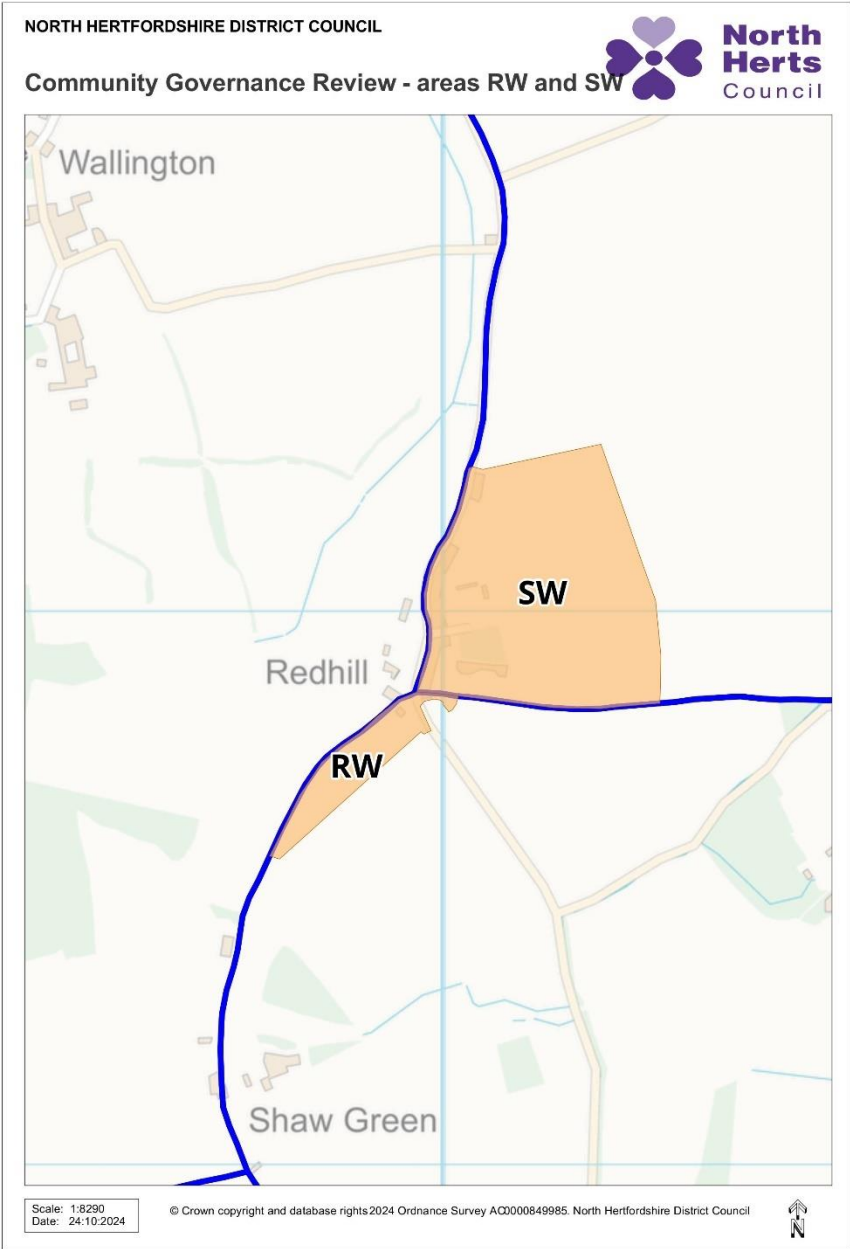


Ickleford

Create a parish ward for the Lavender Grange community (Area ILG).



*Rushden, Sandon, Wallington*  
Area SW moves from Sandon to Wallington; RW from Rushden to Wallington.



## **9. LEGAL IMPLICATIONS**

- 9.1. The Council, as principal council, has authority to take decisions about parish electoral governance arrangements under Sections 79 and 102(2) the Local Government and Public Involvement in Health Act 2007.
- 9.2. A District Council that is undertaking a review, must notify the County Council that the review for its area is to be undertaken and the terms of reference (including any modifications to those Terms), as per section 79(3).
- 9.3. Sections 81 – 84 of the said Act cover relevant aspect of the Terms of Reference for the review. These are Terms under which the review is to be undertaken and specify the area under review, which were approved by Full Council at its meeting on 11 July 2024. As soon as practicable after deciding the Terms, they must be published. They were published on the Council's dedicated [Community Governance Review webpage](#) as well as part of the first stage of consultation.
- 9.4. 14.5.1 Council Functions states that functions relating to Community governance are reserved to Council as referred in the Local Authorities (Functions and Responsibilities) (England) Regulations 2000.
- 9.5. If changes to external parish boundaries are agreed and implemented, there may be consequential changes required in terms of asset transfer between parish councils. The district Legal Services team will be responsible for ensuring this takes place in an appropriate and legally compliant manner following completion of the CGR. Creation of any new parish council may require an interim arrangement, such as for setting the initial Council Tax precept; Legal Services will be responsible for implementing these interim arrangements, typically through the appointment of local elected District Councillors to undertake those duties suitably supported by officers.

## **10. FINANCIAL IMPLICATIONS**

- 10.1 The Council is required to undertake regular reviews of community governance at its own cost. The costs or savings associated with the outcome of a CGR are met by parish councils. Members are invited to note that as per the first round of consultation, the consultation on the Draft Proposals will be electronic. However, where the Draft Proposals make changes for specific properties (such as changes to external parish boundaries, or the creation of new parish councils) these require printed materials to be delivered to the affected properties with print and distribution costs attached.
- 10.2 As a guide, if all the Draft Proposals are agreed for consultation it would affect circa 25,000 households. It would cost in the region of £14,000 to print and post an A5 colour document via the company used for the main electoral printing, such as canvass forms and postal vote ballot packs. Note this does not account for VAT or any increase in Royal Mail postage costs.
- 10.3 There is likely to be other costs / resource implications associated with the creation of new local Councils, if the Council proceeds, post second stage consultation, with such recommendations.

## **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. Government guidance states that it is good practice to conduct a full review at least every 10 – 15 years and keep the area under review in the interim. Given the level of development and residential growth, and the recent review of District Wards since the last review, it is now timely to formally review the parish governance arrangements throughout the area.
- 11.3. There may be changes in the indicative timetable provided for the Review, depending on local circumstances i.e. by-elections, staff leave, consequential matters as a result of a general election being called so close to the local elections, although implementation ahead of May 2026 is anticipated.
- 11.4. Failure to properly conduct or implement a CGR may result in a Judicial Review. The approach highlighted in this report and consultation on the Draft Proposals, aims to reduce the risk of this happening.

## **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 review of community governance will not impact on the requirement of the Public Sector Equality Duty.
- 12.3. Parish and Town Councils are the most local tier of government in England and play an important role in terms of community empowerment at a local level. A CGR offers an opportunity for both existing parishes and local people to feed into this process and offer proposals for any changes.
- 12.4. Paragraph 7.15 details those that were consulted during the first consultation. These will be again consulted at the second consultation, including those that responded to the first consultation. Recommendation 2.3 separately details how the Council will consult households in areas where external parish boundaries are proposed to be moved, new parish councils established, or new parish wards implemented.
- 12.5. The second public consultation will again encourage online responses. However, as with the first public consultation (which was promoted) should anyone not have access or confident responding online they can visit the council offices and use the computers in the main reception with assistance by members of staff or they can make contact either on the phone, letter, in person, email, and a paper version can be supplied. These paper versions will also be made available at the monthly Councillor Surgeries in the four market towns

### **13. SOCIAL VALUE IMPLICATIONS**

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

### **14. ENVIRONMENTAL IMPLICATIONS**

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

### **15. HUMAN RESOURCE IMPLICATIONS**

- 15.1 The appointment of the consultant to assist with the CGR has alleviated some of the pressure within the service and ensured the service continues to run effectively (given the significant demands the Democratic Services Team has experienced last year).

### **16. APPENDICES**

- 16.1 Appendix A – Terms of Reference

- 16.2 Appendix B – Redacted consultation responses

- 16.3 Appendix C – Proofs of flyers that will be circulated to households where Draft Proposals make changes specific to properties – as identified within the Draft Proposals as well as a general flyer.

### **17. CONTACT OFFICERS**

- 17.1 Melanie Stimpson, Democratic Services Manager/Returning Officer  
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### **18. BACKGROUND PAPERS**

- 18.1 The Local Government Boundary Commission for England – Guidance on Community Governance Reviews  
[Guidance on community governance reviews \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

- 18.2 Council – 23 September 2021 – Electoral Cycle Consultation – Minute No. 52 refers  
<https://democracy.north-herts.gov.uk/ieListDocuments.aspx?CId=136&MId=2614>

- 18.3 Council - 7 December 2021 - [Agenda for Council on Tuesday, 7th December, 2021, 7.30 pm - North Hertfordshire District Council \(north-herts.gov.uk\)](#)
- 18.4 Council – [20 January 2022 – Council Size Submission to Local Government Boundary Commission for England \(LBGCE\) – Minute No.78 refers](#)
- 18.5 Council – 14 July 2022 – [Warding Arrangement Submission to the Local Government Boundary Commission for England \(LGBCE\) - Minute No.134 refers](#)
- 18.6 Council – 19 December 2022 – [Electoral Review – Response to Local Government Boundary Commission for England on Proposed Warding Arrangements – Minute No. 162 refers](#)
- 18.7 Council – 11 July 2024 – [Community Governance Review – Terms of Reference – Minute No. 27 refers](#)



## Terms of Reference - Community Governance Review

A review of parish electoral arrangements under the Local Government and Public Involvement in Health Act 2007

### Introduction

North Hertfordshire District Council has decided to undertake a Community Governance Review (CGR) under the provisions of the Local Government and Public Involvement in Health Act 2007 ("the 2007 Act"), to consider parish boundaries, parish ward boundaries, parish election dates and councillor representation throughout the local authority area.

### Why undertake a Community Governance review?

A CGR provides an opportunity for district councils to review and make changes to community governance within their area. Such reviews can be undertaken when there have been changes in population or in reaction to specific, or local, new issues to ensure that the community governance for the area continues to be effective and convenient and it reflects the identities and interests of the community.

The government has emphasised that ultimately recommendations made in a CGR ought to bring about improved community engagement, more cohesive communities, better local democracy and result in more effective and convenient delivery of local services.

Government guidance further states that it is good practice to conduct a full review at least every 10– 15 years and keep the area under review in the interim. Given the level of development and residential growth, and the recent review of District Wards since the last review, it is now timely to formally review the parish governance arrangements throughout the area.

### Scope of the review

North Hertfordshire District Council has decided to undertake a CGR to consider whether governance arrangements across the **whole** of the local authority area are:

- a) reflective of the identities and interests of the community in that area; and
- b) effective and convenient to the community in that area.

In doing so the review is required to take into account:

- a) the impact of community governance arrangements on community cohesion; and
- b) the size, population and boundaries of the local community or parish.

The review will also consider whether it is appropriate to parish unparished wards, including whether to create new parish council(s) or make changes to existing parish arrangements, and whether election dates should be amended for parish councils, with the potential outcomes of the review that are covered and any recommendations as set out under sections 87-92 of Act [[Local Government and Public Involvement in Health Act 2007 \(legislation.gov.uk\)](http://legislation.gov.uk)]

## Who will undertake the community governance review

As the principal authority, North Hertfordshire District Council (as principal council) is responsible for undertaking any CGR within its electoral area.

The review will comply with the legislative and procedural requirements set out in the 2007 Act, as well as statutory guidance and best practice models. This includes guidance produced jointly by the Department for Communities and Local Government and the Local Government Boundary Commission for England (LGBCE). This review will follow the approach set out in these Terms of Reference, including the indicative timetable.

## A timetable for the review

The indicative timetable for the review is as follows. Depending on local circumstances some dates may change, although implementation ahead of May 2026 is anticipated.

Date	Action
11 July 2024	Full Council approves the Terms of Reference, signifying the start of the CGR.
19 July to 7 October 2024	First public consultation, lasting 11 weeks.
November 2024 to December 2024	Review by Officers and development of Draft Recommendations. CGR Working Group meetings will be held as appropriate to discuss, prior to consideration by Council.
23 January 2025	Draft Recommendations to be considered by Council and approved for second round of consultation.
31 January 2025 to 28 March 2025	Second public consultation, on Draft Recommendations.
	Review by Officers and development of Final Recommendations. CGR Working Group meetings will be held as appropriate to discuss, prior to consideration by Council.
July 2025	Full Council discuss and agree Final Recommendations.
July 2025	Reorganisation Order made.

## Consultation

Before making or publishing Final Proposals, in line with legislative requirements, the Council will take full account of the views of local people. The Council will comply with legislative requirements by;

- a) consulting local government electors for areas under review;
- b) consulting any other person or body (including a local authority or elected representative) which appears to the principal council to have an interest in the review; and
- c) taking into account any representations received in connection with the review.

When taking account of written representations, the Council is bound to have regard to the need to secure that community governance within the area under review is;

- a) reflective of the identities and interests of the community in that area; and
- b) effective and convenient to the community in that area.

In order to ensure that this review is conducted transparently, as soon as practicable the Council will publish its recommendations and take such steps as it considers sufficient to ensure that persons who may be interested in the review are informed of the recommendations and the reasons behind them.

### **The value of local councils**

The Council believes that local parish and town councils play an important role in terms of community empowerment at a local level and want to ensure that local governance in the areas subject to this review continue to be robust, representative and enabled to meet the challenges that lie before it.

Parish and town councils have a key role to play in representing the views, promoting the needs, of the borough's local communities and neighbourhoods and that every opportunity should be afforded to them to express such views to the Council prior to any decisions taken which might affect local circumstances.

### **Parish boundaries**

The Council considers that 'natural' settlements or settlements as they are defined in the Local Development Framework should not in normal circumstances be partitioned by parish boundaries.

The Council considers that the boundaries between parishes should where possible either reflect the 'no-man's land' between communities represented by areas of low population or by identifiable physical barriers. These physical barriers might include natural boundaries such as rivers or man-made features such as railways or roads.

In reaching conclusions on the boundaries between parishes, the Council will take into account community identity and interests in an area and will consider whether any particular ties or linkages might be broken by the drawing of particular boundaries. Equally, the Council, during its consultations will be mindful that proposals which are intended to reflect community identity and local linkages should be justified in terms of sound and demonstrable evidence of those identities and linkages.

In any event the Council will endeavour to select boundaries that are, and are likely to remain, easily identifiable as well as taking into account any local ties which might be broken by the fixing of any particular boundaries.

### **Parish and Town Council level of membership**

The Council notes that legally the number of parish councillors for each parish council shall not be less than five and that there is no maximum number. In the instance of parish wards, any warded parish must have at least one parish councillor per ward. Furthermore, each area should be considered on its own merits, having regard to its population, geography and the pattern of communities.

It is an important democratic principle that each person's vote should be of equal weight so far as possible, having regard to other legitimate competing factors, when it comes to the election of councillors.

Whilst it will not be possible, nor desirable, to create absolute uniformity in councillor representation at a parish level it is the policy of the Council to provide an equality of representation across the area as far as possible.

Whilst the Council is keen to ensure that the allocation of councillors to parish councils is equitable across the borough using NALC guidelines, it acknowledges that local circumstances may occasionally merit variation. Therefore, in exceptional circumstances, or in the case of parish warding, the Council accepts that it may be appropriate to increase or decrease the allocation of councillors to a parish council to reflect local circumstances.

Whilst the Council has discretion in this matter and will be mindful to apply the NALC guidelines it will, wherever possible, fully consider and take into account the wishes of the local area and the existing levels of representation which have stood the test of time before arriving at a decision.

### **Parish election dates**

North Hertfordshire District Council previously elected 'by thirds', with elections taking place in three out of every four years. In line with these arrangements, scheduled parish elections also took place in three out of every four years, with some parish councils electing in each of those three years. The Council now elects all District Councillors in one scheduled election every four years, following a resolution by Council.

It may be prudent for scheduled elections for parish councils to be aligned with the District Council election dates. This can save considerable money for parish councils, who will then all share their election dates, and makes the democratic process easier and more accessible for electors. If election dates change for any parish council, the term of office for parish councillors in affected parishes will be shorter or longer than four years in the first scheduled election after the completion of the Review. Full details will be prepared and shared alongside any Draft Recommendations for consultation.

### **How to contact us**

If you would like to say how you view potential future arrangements under these Terms of Reference please respond to the online consultations on the North Hertfordshire District Council website, <https://www.north-herts.gov.uk/>

## Appendix B – Redacted responses to the stage 1 consultation

ID	In what capacity are you responding to this consultation?	Which parish or area are you responding about?	What would you like to tell North Herts Council about the current parish electoral arrangements in this area?
4	I'm responding in my capacity as a resident;	All;	Yes
38	I'm responding in my capacity as a resident; Grosvenor Group	All;	Current arrangements might need tweaking. But, seriously, what a waste of time is being committed (therefore money) with this proposed exercise. It's simple - if it isn't broken don't waste time trying to fix it - if it's bent, leave it, don't even try fixing it ---- UNTIL IT DOES REALLY NEED FIXING. Current arrangements work as well as can be expected, so stop wasting time - put effort where it matters
58	I'm responding in my capacity as a resident;	All;	1
61	I'm responding in my capacity as a resident; Note: Outside the district Responding from: [REDACTED AS NOT RELEVANT TO CGR AND UNCLEAR IF THIS IS THE FORMAL RESPONSE OF THE ORGANISATION]	All;	There has been false statements and education written on plates which are untrue and is demonstrates religious discrimination and hatred amongst community and unlawful in the first place there are many voices are not heard many victims not compensated for hatred and racism and discrimination against women and children.
4	I'm responding in my capacity as a resident; Note: Outside the district Responding from: [REDACTED AS NOT RELEVANT TO CGR AND UNCLEAR IF THIS IS THE FORMAL RESPONSE OF THE ORGANISATION]	All;	I believe in multiculturalism communities should not segregated.
103	I'm responding in my capacity as a resident; Note: Outside the district Responding from: [REDACTED AS NOT RELEVANT TO CGR AND UNCLEAR IF THIS IS THE FORMAL RESPONSE OF THE ORGANISATION]	All;	The local churches have wrong information put up with is discriminating the black people and ethnic cleansing which promoting hatred among people and social segregation.
28	I'm responding in my capacity as a resident;	Ashwell ;	There is no point to a parish council only interested in pointless vanity projects. They do nothing about the state of the roads or that the road banks are so overgrown it obscure the drivers' vision and it is downright dangerous and the only reason they are not cut back is to save the district council money
31	I'm responding in my capacity as a resident;	Ashwell ;	Ashwell should be in South Cambridgeshire not Hertfordshire
54	I'm responding in my capacity as a resident;	Ashwell ;	Ashwell Parish Council seems to work well. However there seems to be a problem getting residents involved in standing for election for the council since there are always vacancies. It may be that

ID	In what capacity are you responding to this consultation?	Which parish or area are you responding about?	What would you like to tell North Herts Council about the current parish electoral arrangements in this area?
			prospective councillors are discouraged by the abundance of regulations that seem to be associated with council membership.
71	I'm responding in my capacity as a resident;	Ashwell ;	Ashwell should be in South Cambs
119	I'm responding on behalf of a Parish or Town council*; Ashwell Parish Council	Ashwell ;	At 2nd September 2024 Parish Council meeting, the Parish Council wish to propose reducing the number of parish councillors to nine (currently twelve).
19	I'm responding in my capacity as a resident;	Baldock ;	<p>Very little engagement with the community by that I mean few surgeries to make representations as a resident.</p> <p>Town talks held either at the library or community centre would be helpful.</p> <p>No engagement is ever undertaken with communal developments, i.e., flats.</p> <p>My view is that improvements can only occur once a review of how the current working practice operates, therefore is it easy to accept its convenient to do things in a way that they have always been done or an acknowledgement that the current practice needs revision. I would have preferred being asked the question. 'This is how we do it. This is what we plan to do.' If feedback is low, then what is the likelihood of change. Likewise, if residents have a wish list is change going to happen.</p> <p>In answer to the 3 points for comment my answers are: No, no and yes properties are divided by that normal domestic v flats.</p>
81	I'm responding in my capacity as a resident;	Baldock ;	We don't have a parish or town council. Our representation is via a group of NHDC councillors locally known as the Baldock committee. This is an anomaly- for example when it came to commenting on the local plan for the expansion of Baldock and the development of a neighbourhood plan, this had to be nominally led by Bygrave who do have a parish council. I appreciate that no NHDC towns have their own councils but I feel that this is a strange way of organising local democracy by denying local representation to the majority of North Herts citizens.
22	I'm responding in my capacity as a resident;	Baldock ;	I live in Baldock, which does not have its own parish/town council. This seems strange, given that much smaller settlements, such as Clothall and Bygrave do have their own local parish councils. Baldock seems just to be represented by District Councillors, who are therefore fulfilling a dual role. I wonder whether Baldock would benefit from a parish council of its own.
81	I'm responding in my capacity as a resident;	Baldock ;	Baldock has no local government parish council, only a church parish council. This means that Baldock residents miss out on ability to influence local issues. Can this be sorted out?
88	I'm responding in my capacity as a resident;	Baldock ;	Nothing to note. All seems fit for purpose
97	I'm responding in my capacity as a District Councillor;I'm responding in my capacity as a resident;	Baldock ;	<p>- The current parish boundaries of Clothall and Bygrave that overlap the newly expanded District boundaries of Baldock East ward should be changed to no longer overlap into this ward. The parishes are designed to cover a rural area of village community that Baldock East does not represent. This means any future Baldock East residents that come to live in these areas will not be properly represented by the current arrangements. This will also divide up a community that will already have its obstacles due to being a large new housing development in a town that hasn't seen this scale of building for a long time, if ever. No parish boundaries should exist within Baldock Town.</p> <p>- Baldock should not have a town council. Many residents of Baldock already have a strong history of</p>

ID	In what capacity are you responding to this consultation?	Which parish or area are you responding about?	What would you like to tell North Herts Council about the current parish electoral arrangements in this area?
			volunteering and being active in their communities. An additional layer of administration and potential political point scoring is not something that residents are keen to see or participate in. A town council precept is also not something that many of the town's households can afford or are particularly interested in paying into. It is unclear what role a town council would play in a community that already covers the town with an incredible level of activity and spirit. With town councillor being an unpaid position, it is felt that there would not be strong diversity in the representation, particularly among younger working people and women who tend to have the bulk of family caring responsibilities. Residents have had a high level of politicking in the last few years that has resulted in a higher engagement with the political system, but adding to this could lead to burnout and apathy.
17	I'm responding in my capacity as a resident;	Baldock ;	Why does Baldock not have a parish council? Could it have one?
51	I'm responding in my capacity as a resident;	Barkway ;	No need to change anything. If it's not broken don't fix it. It NHDC that needs fixing.
24	I'm responding in my capacity as a resident;	Bygrave ;	I believe that the rural nature of Bygrave is a true reflection of the makeup of residents.
65	I'm responding in my capacity as a resident;	Bygrave ;	We are very happy with the current boundary of the parish and content including housing farming and business inputs
Page 111	I'm responding in my capacity as a resident;	Bygrave ;Ashwell ;Caldecote and Newnham ;Hinworth ;Radwell ;Baldock ;	The current arrangements work well, but care must be taken regarding the new development in Bygrave parish, which clearly due to its size would overwhelm the current Parish
99	I'm responding in my capacity as a resident;	Bygrave ;Great Ashby Community Council ;Graveley ;St. Ippolyts ;Hitchin;Baldock ;Clothall;Weston ;Offley ;	<p>Great Ashby parish boundary should be enlarged to include the adjoining allocated development sites GA1 and GA2 (currently in Graveley / Weston parishes).</p> <p>Baldock should be made a parish, which should cover the combined area of Baldock East and Baldock West wards, thereby including the various proposed development sites around Baldock that currently fall within Bygrave and Clothall parishes. A town council for Baldock should assist with building community networks to help integrate the residents of the new developments as the town grows. If the district council decides a parish for Baldock is not appropriate, I would still encourage removing the parts of Baldock East ward from the parishes of Bygrave and Clothall, so as not to create awkward relationships between the new developments and the villages / rural parts of those parishes.</p> <p>Hitchin may also benefit from being made a parish to be a more democratic focal point for the town's community identity. If the district council is minded to create a parish of Hitchin, would recommend transferring the North parish ward from St Ippolyts into the new Hitchin parish as having long been part of the Hitchin urban area.</p> <p>There may be merit in splitting the current Offley parish into a reduced Offley parish east of Lilley Bottom Road and a new 'Cockernhoe' parish west of that road, allowing the Cockernhoe parish to more directly focus on assimilating the proposed growth on the edge of Luton into that area.</p>

ID	In what capacity are you responding to this consultation?	Which parish or area are you responding about?	What would you like to tell North Herts Council about the current parish electoral arrangements in this area?
Page 1 of 2			<p>Mindful that successive governments periodically talk about changing two-tier (county / district) areas into unitary authorities, there may be advantages in ensuring that the whole district is covered by parishes so as to let the new parish / town councils develop their own capacity to act as focal points for community life ahead of any change to unitary authorities being introduced. If we do end up with unitary authorities at whatever geography, parishes then become even more important for their focal role in the community and as the only other tier of local government.</p> <p>If the council accepts the recommendations to make Hitchin and Baldock parishes, that just leaves Letchworth unparished. Given the history of the short-lived town council here, if Letchworth were to be made a parish again, it would need more careful consideration, particularly to ensure that the division of roles between the town council and Heritage Foundation was understood from the outset allowing the organisations to function in a complementary way. If the district council does decide to reinstate a Letchworth parish, I would recommend using the elegantly simple and historic single word name of 'Letchworth', rather than the ungainly 'Letchworth Garden City'. We can respect and be rightly proud of the town's heritage and important role in the history of town planning without needing to shoehorn it into the name.</p>
	I'm responding in my capacity as a resident; Newnham Village Hall	Caldecote and Newnham ;	The current arrangements are effective and convenient for local people More published information on meetings would be an advantage
	I'm responding in my capacity as a resident;	Clothall;	The current arrangement works very well
32	I'm responding in my capacity as a resident;	Codicote ;	<p>I am new to the area and went to my first parish council meeting a few weeks ago. It seemed that Codicote shares its parish councillors with Kimpton but not the boundaries I found it very confusing. I think parish councillors could probably do with some training regarding how to run a meeting, noting who attended, what to do in case of emergencies, introducing councillors, welcoming newcomers etc. Personally, I was very disappointed with something that should be community focused. It seems that money from S106 towards infrastructure from new builds is not forthcoming because of the ridiculous system that allows builders to keep the money until they have sold their last property. Parish councillors seemed to be very frustrated by the lack of support from North Herts. Codicote is a village but all the residents pay their taxes and yet don't seem to benefit particularly with lack of buses, GP surgery, support for parking restrictions or speed limits etc all that has been requested time and time again.</p>
48	I'm responding in my capacity as a resident;	Codicote ;	I don't know
70	I'm responding in my capacity as a resident;	Codicote ;	Parish Councils seem to be totally ineffective as District Council completely ignores them and overrules any suggestions they make. Sighting in particular the complete inappropriate over development of Codicote.
85	I'm responding in my capacity as a resident;	Graveley ;	<p><b>[Comment redacted – personal information]</b> The current Parish Council does very little for the community and Councillors have to be pleaded with to even discuss a matter of concern to residents. It is disgraceful that council tax is paid to people who have no ideas for the community and don't spend the money on projects of value to the community.</p>



ID	In what capacity are you responding to this consultation?	Which parish or area are you responding about?	What would you like to tell North Herts Council about the current parish electoral arrangements in this area?
86	I'm responding in my capacity as a resident; I'm responding in my capacity as a Parish/Town Councillor ;	Graveley ;	<p>Important to keep as this helps define the area and keeps the identity from merging with Stevenage.</p> <p>Can NHDC website be clearer on what the Parish Council can and cannot do.</p> <p>Give more clarity and allow us to look after more</p>
87	I'm responding in my capacity as a resident;	Graveley ;	I like having a parish council in Graveley as it understands and fights for things that affect our village. If we were to be swallowed up by other councils we would lose our unique identity as a village. They are able to spend money from the budget within the village for all our use.
121	I'm responding on behalf of a Parish or Town council*; Graveley Parish Council	Graveley ;	The sites identified as GA1 in the Local Plan 2011 to 2031 and the North of Stevenage development, which are currently within Graveley Parish, will have residents that identify much more with Great Ashby / Stevenage than with Graveley village. If these developments proceed, we request that the parish boundary is moved such that these sites are moved from Graveley Parish into Great Ashby or that the two new developments become a parish on their own, perhaps 'Forster Parish'.
15	I'm responding in my capacity as a resident;	Great Ashby Community Council ;	I believe the whole of the Great Ashby Development should be within North Herts. And therefore the Great Ashby Parish Council should cover / include the whole Great Ashby Development too.
88	I'm responding in my capacity as a resident;	Great Ashby Community Council ;	It is about time that all of Great Ashby became part of Stevenage especially as Stevenage is expanding into East Herts. Everything we do is in Stevenage but we are not entitled to use Stevenage Council Services as we don't live in Stevenage, this needs changing
94	I'm responding in my capacity as a resident;	Great Ashby Community Council ;	Everything we do is in Stevenage, shop , schools, doctors , hospital. We shouldn't be a separate parish it has no benefit
112	I'm responding in my capacity as a resident;	Great Ashby Community Council ;	<p>Why do I need a parish council? I'm sorry, but I don't. Another waste of money.</p> <p>I can only speak about my own "identity" and no they don't reflect me. Interests.. no, they don't reflect my interests.</p> <p>I don't identify as being part of a community. I'm sorry, but you are living in a different place to me if you think we live in a community in North Herts / Great Ashby. I feel no community connection or responsibility locally. It's each for their own. I pay taxes as I legally have to, the services provided that I use are [redacted] and you have a parish council spending money on [redacted].</p>
128	I'm responding on behalf of a Parish or Town council*; Great Ashby Community Council	Great Ashby Community Council ;	<p>The North Herts District Council Community Governance Review was discussed at the Full Council meeting of the Great Ashby Community Council held on 19 September 2024. Our official response follows:</p> <p>Great Ashby Community Council (GACC) serves the local community through the delivery of services which would otherwise not operate such as the provision of dog waste bins and the maintenance and enhancement of some children's play areas; projects which improve the health and well-being of the community and the local environment such as the current project to install a defib at the District Park and the roundabout planting scheme; and the Council represents local views to higher authorities and external</p>

ID	In what capacity are you responding to this consultation?	Which parish or area are you responding about?	What would you like to tell North Herts Council about the current parish electoral arrangements in this area?
Page 114			<p>bodies. GACC encourages residents' feedback and actively provides input into the planning process – this has been valued by residents in relation to the proposed developments of GA1 and GA2.</p> <p>GACC has an allocation of 12 councillors, which the Council believes is sufficient to allow for a diverse body of councillors to represent the community of Great Ashby. We would not like to see this changed. The Council has welcomed three new Councillors in recent months, and has received more enquiries to join, which suggests the Council is respected and recognised as being effective within the community and that residents have a growing interest in participating in local governance.</p> <p>Our view is that the parish boundary arrangements are currently set correctly to reflect the community of Great Ashby residing within North Hertfordshire.</p> <p>Councillors discussed whether the proposed developments identified as GA1 and GA2 within the North Herts Local Plan 2011-2031 would affect our view on the need for a change to the parish boundary, should these sites be approved by the LPA. It is a certainty that should additional housing of the scale proposed be placed within this parish, having potential to increase the population of the parish by approximately 40-50%, this would have a significant effect on our existing community. It could be argued that should this realised, Great Ashby would be the size of a small town without any amenities of a town, and this would need careful consideration. Councillors' views varied, and it was determined that without any resolved specific detailed planning documents to inform a decision, GACC is unable to comment on any future movement of the parish boundary at this time. In that sense, the timing of this Community Governance Review is unhelpful for Great Ashby.</p> <p>With regard to election timetabling, the Council preference is for election dates for the parish to be aligned with the District Council dates in future.</p>
83	I'm responding in my capacity as a resident;	Hexton;	Voting is easy at the church.Village is small community but never gets any organised input from council or their representatives just mail drops
68	I'm responding in my capacity as a resident;	Hinworth ;	I would like people to be elected by popular vote when someone resigns from the Parish Council rather than non elected people co-opted in.
105	I'm responding in my capacity as a resident;	Hinworth ;	<p>The SG7 5HB local community is geographically remote (around a mile) from Hinworth village and has its own identity. This is not generally an issue and I tend to look to NHDC for matters of local interest. However, if the Parish Council is to comment on planning applications within our local community it should consult with us before expressing an opinion to NHDC. On the most recent application the Parish Council has not represented our local community view and left us wondering why.</p> <p>The NHDC consultation planning process has been transparent and implemented well.</p> <p>The only change I would suggest is to tighten up the terms of reference of the Parish Council for planning. I could only find the NHDC description that a Parish Council generally comments on planning. I would like to add that any such comments should necessarily incorporate local community views.</p>
18	I'm responding in my capacity as a resident;	Hitchin;	Happy with the arrangements for Hitchin

ID	In what capacity are you responding to this consultation?	Which parish or area are you responding about?	What would you like to tell North Herts Council about the current parish electoral arrangements in this area?
40	I'm responding in my capacity as a resident;	Hitchin;	I am happy with the electoral arrangements in my area
47	I'm responding in my capacity as a resident;	Hitchin;	Hitchin is underrepresented as it is currently unparished, a Town Council would provide the necessary vehicle to be a statutory consultee on matters such as planning and could easily and fairly enhance the services currently provided by NHC to ensure they met the needs of the Hitchin Community rather than those of a diverse North Herts Area. This would become even more essential were the area to eventually go to a Unitary Authority. A well established and effective TC needs to be in place before the UA even if this creates another layer of Govt in the interim.
49	I'm responding in my capacity as a resident;	Hitchin;	I would suggest that Hitchin should be parished and a Hitchin Town Council created. The town has a thriving civic community and no formal local political entity to act as a forum for that. Parishes add a great deal of value at the lowest level of governance and if they are good enough for rural areas why not the towns? A small local precept could add much value and give rise to the possibility to bring in grants and match funding.
50	I'm responding in my capacity as a resident; I'm responding in my capacity as a District Councillor;	Hitchin;	Hitchin should have its own town/community council. There are only 4 Hitchin Area Forums (formerly Area Committees) per annum now with considerably reduced grant giving opportunities. Hitchin does not have the ability to raise any separate precept to fund exclusively Hitchin projects. A town/community council would be able to respond more speedily to residents' requirements.
96	I'm responding in my capacity as a resident;	Hitchin;	[No comment received]
97	I'm responding in my capacity as a resident;	Hitchin;	I do not want a town council for Hitchin.
92	I'm responding in my capacity as a resident;	Hitchin;	Hitchin needs its own town council with its own precept. The current arrangements are unsatisfactory and Hitchin residents are denied this more local representation
104	I'm responding in my capacity as a resident; I'm responding on behalf of another organisation (such as a business) ; Hitchin Initiative Ltd	Hitchin;	Hitchin is presently unparished, hence lacking democratic representation and funding.
110	I'm responding in my capacity as a resident;	Hitchin;	Hitchin needs a town council to give more local control and to "reflect the identities and interests of the local community'.
113	I'm responding in my capacity as a resident;	Hitchin;	I believe we residents of Hitchin should have our own town council for us to have a say or our own Town with our own counsellors focused purely on hitchin and not the wider district and have the opportunity to develop and provide additionality to services above our existing level.
124	I'm responding in my capacity as a resident;	Hitchin;	Please consider setting up a Town Council in Hitchin
131	I'm responding in my capacity as a resident;	Hitchin;	If you ask most new people of Hitchin, little will be known about the wards and Parishes. More localised access to messaging and people on the ground could help to improve this. A Town Council would certainly be a good place to start.
133	I'm responding in my capacity as a resident;	Hitchin;	We had a separate town council for where I previously lived. They levy an additional subsidy on top of the council tax with little transparency about where it goes and not very much power. As such, I would be

ID	In what capacity are you responding to this consultation?	Which parish or area are you responding about?	What would you like to tell North Herts Council about the current parish electoral arrangements in this area?
			reluctant for any powers to be delegated from North Herts council to a new Hitchin town council. I think the same purpose might be addressed by having subcommittees in North Herts council of the existing elected councillors rather than delegated to a committee with little transparency on how members are appointed.
134	I'm responding in my capacity as a resident;	Hitchin;All;	<p>1. I think that parish boundaries should be reviewed to facilitate the creation of sensible electoral units in future boundary reviews. For example, I understand there will be new houses built in the Great Ashby area (and a few existing houses) where residents will feel as though they are part of Great Ashby but they are currently in a different rural parish, with no direct connections to other parts of that parish. The parish boundaries in such circumstances should be shifted so that the new houses are in the same parish area as the current houses. I understand that the same will apply to houses built to expand Baldock and this may also be the case elsewhere. (There are a few existing houses in Wymondley parish close to the boundary with Hitchin that I think would more sensibly be reallocated (by changing the boundary) from that parish into Hitchin, although that might be too small a change to be worthwhile.)</p> <p>2. I live in Hitchin. At present I would oppose the creation of a Town Council. However, this depends on whether we retain our current district/county council structure or move to a unitary authority. I would support the creation of a unitary authority (if the area covered were sensible) and if so then I think it would be important to create a Town Council in Hitchin. I am unclear whether that consideration is within the scope of this review, but suggest it is borne in mind as it seems quite possible that we might move to a unitary authority in the future when public desire for a Town Council to be created may increase given that the unitary authority will feel more remote than the current District Council.</p>
64	I'm responding in my capacity as a resident;	Holwell ;	<p>Could do with Parish representatives that care about the Parish, they wave through most planning applications with "no objection".</p> <p>Any communication with the Parish takes over a week to receive any response/request.</p> <p>Parish meetings could be more inclusive and invite 3rd parties to speak, Fairfield Parish in Bedfordshire for example regularly has guest speakers.</p> <p>Reduce the Council Tax proportion for Parish, huge increase for nothing extra.</p>
122	I'm responding in my capacity as a resident;	Holwell ;	<p>Current Parish committee needs to change as no interest in what's best for its residents. Cash flow is not managed professionally.</p> <p>Underlining issue is the Parish is so small its income is limited and unable to provide the service it should. Given Holwell boundary is next to Ickleford, it would make sense to merge the Parishes to better serve its residents.</p>
3	I'm responding in my capacity as a resident;	Ickleford ;	Satisfactory
53	I'm responding in my capacity as a resident;	Ickleford ;	<p>The inclusion of the newly developed Lavendar Grange estate at the extreme northern end of the parish should be reviewed. This area is far removed from the core of Ickleford and looks more to the built up area around Henlow Camp as the area that provides community facilities. The current inclusion in Ickleford parish leads to a lack of attention to the concerns and priorities of those living in the area (including myself). The lack of connectivity between the northern extreme and core of the parish also means residents to the north do not use any of the facilities within the core of the parish that are the priority of the existing parish council.</p>

ID	In what capacity are you responding to this consultation?	Which parish or area are you responding about?	What would you like to tell North Herts Council about the current parish electoral arrangements in this area?
			<p>Due to the proximity to the boundary between North Herts and CBC areas this should be resolved as part of a review within CBC too. Ideally the northern end of Ickleford parish, south western end edge of Henlow parish and eastern side of Lower Stondon should all be reviewed to create a new arrangement of community governance that actually reflects the built up area.</p>
114	I'm responding in my capacity as a resident;	Ickleford ;	<p>I currently live in Lavender Grange at the very northern end of Ickleford Parish. The current arrangements are not effective or convenient for us at all. We are over 2 miles separated from the core of Ickleford village, while directly adjoining the settled area around Lower Stondon/ Henlow Camp. As a result our primary community is not Ickleford and the current arrangements result in us being divided from our natural community.</p> <p>This also causes challenges with accessing services. Within North Herts we are regularly challenged when using the recycling centre in Letchworth because we have a Bedfordshire postcode and our council tax bills, despite being for North Herts, list Bedfordshire in our address because not even our own council seems to be able to recognise that we are in North Herts and not Bedfordshire. Similarly, residents have had issues with emergency services responding to the estate because the postcode and county do not align.</p> <p>Both the Parish, Council and County Council borders in this area need review in collaboration with Central Beds. Despite clearly being one built up area we are currently split 3 parishes, 2 withing Central Beds and 1 within North Herts. This results in a fundamental failure of effective local governance.</p>
117	I'm responding in my capacity as a District Councillor;	Ickleford ;	<p>Ickleford parish had a central village core with rural dwellings between the outer edges of the village core and the parish boundary. The nature of the parish was fundamentally changed when site LS1 was allocated in the Local Plan and built out.</p> <p>LS1, hereafter referred to as Lavender Grange, is a development of some 150 houses at the extreme Northern edge of the parish. The development, like the existing neighbouring properties at Ramerick Cottages, Ramerick Barns and Ramerick Hall are in the parish of Ickleford in North Herts, but any casual observer would assume that the properties are in Bedfordshire and in the parish of Lower Stondon as they lie beyond the Bedfordshire border road sign. This is not the case.</p> <p>The residents at Lavender Grange have faced many challenges due to confusion concerning their address. This was not helped by Royal Mail insisting that the properties be given an SG16 (Bedfordshire) postcode while the legacy properties referred to above have an SG5 (Ickleford, Herts) postcode. More frustratingly, another new development opposite Lavender Grange has been given an SG5 postcode, so we now have the situation where two facing developments are in Central Beds with a Herts postcode and in Herts with a Beds postcode. It should be acknowledged that postcode addressing no longer includes a county name, but this causes many problems and in the past, I have have to look into healthcare access, access to refuse centres, foodbanks and initially there were issues with emergency service delays due to address confusion. I have also pointed out in the past that residents at Lavender Grange have an unacceptable journey to their polling station at Ickleford village hall.</p>

ID	In what capacity are you responding to this consultation?	Which parish or area are you responding about?	What would you like to tell North Herts Council about the current parish electoral arrangements in this area?
Page 118			<p>In terms of parish representation, during the construction of LS1, a resident of Ramerick Barns was elected to the parish council, However, there is no representation on the parish council from the Lavender Grange community at the moment. The parish council - in particular the clerk - has done everything possible to reach out to the residents at Lavender Grange. A noticeboard has been installed, welcome information delivered and residents are invited to attend parish council meetings. However the Lavender Grange residents do not seem to feel part of Ickleford parish.</p> <p>There is a further distinction in that the the Lavender Grange development has a management company - First Port, which provides a poor service. Many issues that would be dealt with by the parish council or district council in the rest of the parish are the responsibility of First Port - this is another point of difference and one could argue, why should Lavender Grange residents pay the same precept to the parish council or indeed council tax to NHC when they do not receive the same services?</p> <p>With the likelihood of another significant development south of Lavender Grange, parish arrangements should be considered carefully so they are robust for the future. All of the correspondence I have had with Lavender Grange residents suggest that they purchased a house in North Herts and they want to remain in North Herts (there has been a campaign to get their postcode changed to SG5, but Royal Mail refused). No changes should be made without full consultation of residents.</p> <p>More needs to be done to include these residents in the parish as Lavender Grange currently feels divided from the rest of the parish. I think it would be useful to have a parish councillor from Lavender Grange on the parish council or if this is not possible, one of the parish councillors should have a specific role as a representative to this community.</p> <p>Parish council arrangements for residents in the rest of the ward work well.</p>
98	I'm responding in my capacity as a resident; Consilium Financial Planning Limited	Ickleford ;Hitchin;	My business is in Hitchin. My home is in Ickleford. We are blessed to have proactive elected councillors in Hitchin and district generally. Often party differences are put to one side when it comes to matters Hitchin. We have a thriving town. A town with history and people who "love" living and working here. Hitchin has a marvellous creative vibe. The recently formed Hitchin Creative HC which now manages the fantastic summer and winter Hitchin Festivals activity promote the arts in Hitchin. Never has the arts been so important to the collective wellbeing of our townspeople, families, residents, visitors. With LA budgets stretched the formation of the Hitchin Town Council funded by a modest precept will ensure the good work carried out by HC has the air to breathe. Thus, is just one example of the many benefits a HTC will bring. Local immediate accountable democracy.
77	I'm responding in my capacity as a resident;	Kelshall ;Baldock ;	Currently where I live in the Kelshall parish our cluster of 10+ homes are considered out of catchment for every senior school. I would like Kelshall parish to be included as Sandon is.
5	I'm responding in my capacity as a resident;	Kimpton ;	The current electoral arrangements are OK but communication between Parish Council and local residents needs to improve.

ID	In what capacity are you responding to this consultation?	Which parish or area are you responding about?	What would you like to tell North Herts Council about the current parish electoral arrangements in this area?
44	I'm responding in my capacity as a resident;	Kimpton ;	No problem with existing arrangements
46	I'm responding in my capacity as a resident;	Kimpton ;	Kimpton parish feels a long way from Hitchin and the parishes north of Hitchin. I would suggest that this is a broad range of interests and identities since Harpenden is the nearest town, rail station and indeed bus routes are easier towards St Albans than Hitchin. Difficult to comment on the changes to improve re costs of a broad geographical stretch, for example. The local councillor is engaged with the community. Would like to see the new MP more actively locally engaged.
52	I'm responding in my capacity as a Parish/Town Councillor ; Kimpton Parish Council parish Councillor	Kimpton ;	<p>While Parish Councillors do have their ears to the ground in the local community there are potential changes to be made as part of a broader effort to improve the efficiency, transparency, and effectiveness of local government in the UK, ensuring that district and parish councils can better serve their communities and adapt to modern challenges.</p> <p><b>Enhanced Roles and Responsibilities:</b> Parish councils, as the first tier of local government, are seeing an expansion in their roles. They are involved in a wide array of community services, such as provision of lighting, allotments, play areas, and commenting on planning proposals and local infrastructure projects. The role of Parish Councillors needs to be recognised given the sacrifices they make to represent the interests of their communities.</p> <p><b>Improved Governance:</b> legislative reviews are required to provide clearer guidelines and support for parish councils, ensuring they can effectively manage local issues and contribute to broader regional planning and development strategies. Again Parish Councillors should be adequately trained and qualified to a higher standard and there should be financial incentives in place to assume these additional responsibilities.</p> <p><b>Digital Transformation and PropTech Integration:</b> Local councils should adopt PropTech solutions to modernize planning processes. These include using 3D images and voice technology for local planning. North Herts DC has started this process to enhance efficiency and transparency in administrative functions and in our PC we find it very useful. However some councillors are inadequately trained and add little value. We need fewer, but better, people.</p> <p><b>Election and Governance Reforms:</b> Regular elections for parish councils should be held, ensuring democratic representation and local accountability, but elections impact the funding and decision-making processes of parish councils. I think there is merit to the idea around the consolidation of some district and parish councils to improve administrative efficiency and reduce costs. This includes remunerating more professional "neighbourhood" councillors to streamline operations and enhance service delivery.</p>
111	I'm responding on behalf of a Parish or Town council*; Kimpton Parish Council	Kimpton ;	KPC is content with the number of parish councillors, the council name and the boundary of the parish.
26	I'm responding in my capacity as a resident;	Kings Walden ;	Would be good if the parish council actually done something.
63	I'm responding in my capacity as a resident;	Kings Walden ;	Unaware of them.
108	I'm responding in my capacity as a resident;	Kings Walden ;	I think the current arrangements work well.

ID	In what capacity are you responding to this consultation?	Which parish or area are you responding about?	What would you like to tell North Herts Council about the current parish electoral arrangements in this area?
56	I'm responding in my capacity as a resident; District Councillor	Kings Walden ;Preston ; St. Paul's Walden ;Langley ;	Langley needs to be incorporated into St. Paul's Walden, it's currently a meeting, an absolute nightmare trying to engage with the Meeting who fail to respond. People feel un-engaged and left out. Needs greater transparency and inclusivity. Preston, Kings Walden and St. Paul's fall under Hitchwood, all administered by same Clerk, maybe the three could be unified to save money and before a unitary Parish called Hitchwood.
25	I'm responding in my capacity as a resident;	Knebworth ;	Seems fine
27	I'm responding in my capacity as a resident;	Knebworth ;	Parish boundaries good because we are a village with fields around. Not sure being with Stevenage for elections is good because we don't really have connections there. We are with north herts council for local matters which is fine but this doesn't connect with Stevenage. I think the villages get forgotten when it comes to funding, courses, playschemes etc.
34	I'm responding in my capacity as a resident;	Knebworth ;	It's ok
42	I'm responding in my capacity as a resident;	Knebworth ;	We don't require any changes. We should change the boundaries to include recent housing developments on our borders.  Parish Council arrangements are ideal
57	I'm responding in my capacity as a resident;	Knebworth ;	Extend the size of the boroughs to widen the community & ensure a more global approach. There is too much division & sectarianism. People are not considering their impact on their neighbours. Councillors & Parish representatives must be rotated regularly to truly reflect our region
78	I'm responding in my capacity as a resident;	Knebworth ;	Seem ok
107	I'm responding in my capacity as a resident;	Knebworth ;	My neighbour about 400m away is not in the Parish, yet a friend about 4 miles away is and I go past this neighbour to get to my friend. The shape of the Parish is odd, so outlying members of the parish are not considered as much.  The good news is that the Parish News can be subscribed via email, saving paper, costing less. This is not well publicised and I only discovered this by accident.  Surveys and electronic documents should be written in UK English not US.
127	I'm responding in my capacity as a resident;	Knebworth ;	The current arrangements appear to work. Residents are represented by the Parish Council who take into account the views of those who live in the village. By having this council we retain the 'village feel' and the community spirit
132	I'm responding in my capacity as a District Councillor;I'm responding in my capacity as a Parish/Town Councillor ;I'm responding in my capacity as a resident;	Knebworth ;	Concept of the parish council - I think it works well to represent local people's views (say versus unparished). It doesn't have much hard power but can get things done, examples I've personally been involved in or lead include the Neighbourhood Plan and the purchase of The Station public house. Keeping its focus on Knebworth (including Old Knebworth) makes logical sense as a distinct community. Ward boundaries - Knebworth parish is a very odd shape due to historical changes, it has parts that wrap around to the west side of Codicote down Three Houses Lane and beyond. It seems an anomaly. There are also parts of Codicote that may be better served within the parish there. There may be an opportunity to align to the District Ward boundaries, that could be looked at.



ID	In what capacity are you responding to this consultation?	Which parish or area are you responding about?	What would you like to tell North Herts Council about the current parish electoral arrangements in this area?
			Councillors number and elections - from my observations this works OK, the council normally just about gets enough willing volunteers but is often short of one or two max. It has a non-party-political nature currently which seems to work well but of course isn't in scope I guess of the review as that could change over time.
P1	I'm responding in my capacity as a resident;	Knebworth ;	<p>[Transcribed from paper submission]</p> <ol style="list-style-type: none"> <li>1. We have a comprehensive local plan which appears to be neglected by NHDC &amp; HCC.</li> <li>2. Our two district councillors are also parish councillors.</li> <li>3. It is important to retain our parish councillors as the HCC councillors have not provided any local input for many, many years.</li> <li>4. If we lose our parish council, with its excellent local knowledge and input, residents will lose out.</li> <li>5. Parish issues must be handled in Knebworth. NHDC must not go the way of HCC councillors.</li> <li>6. There is no local highway maintenance by HCC.</li> <li>7. NHDC no longer provides pavement/street cleaning.</li> <li>8. A surface water drain has been blocked for over thirty years.</li> <li>9. HCC has wasted considerable sums of public money, achieving nothing. Local knowledge, rather than move responsibilities 'up the line', move responsibilities to parish councils, with appropriate funding.</li> <li>10. Knebworth is to undergo a massive expansion programme.</li> <li>11. In view of comment 10, should our councillors, parish and NHDC, be increased. New councillors to represent Knebworth East, Knebworth West/North and Central.</li> <li>12. We have a very successful parish council, which in recent years has made very successful village improvements.</li> <li>13. I may be wrong, but neither HCC nor NHDC have made improvements to the village – since the Local Government Act review of 1974.</li> <li>14. I cannot see how the elimination of parish councillors will work for Knebworth.</li> <li>15. At the next stage, NHDC should show the planned improvements to the rural areas.</li> <li>16. Leave parish councillors in place.</li> </ol> <p>Online response in unacceptable, as my PC has been out of service for over a week. Knebworth library did not have details as promised. How many online responses have been received.</p>
8	I'm responding in my capacity as a resident;	Letchworth ;	Letchworth has previously had a Parish Council. It added costs to residents whilst delivering nothing of value in return. We already have too many District Councillors. Democracy does not require more people who think they know what you want better than you do.
9	I'm responding in my capacity as a resident;	Letchworth ;	Everything good. Imposition of town or parish council to be strongly resisted. We had it once. It was dreadful. Luckily we were able to vote to get rid of it.
11	I'm responding in my capacity as a resident;	Letchworth ;	Parishes should be represented by local residents. There does not appear to be an opportunity to join a Parish Council.
13	I'm responding in my capacity as a resident;	Letchworth ;	We already have enough levels of local government in Letchworth. Adding another level to NHDC and The Heritage Foundation would slow decision making and possibly add to conflict due to vested interests.
14	I'm responding in my capacity as a resident;	Letchworth ;	I have lived here for over 12 years and have not yet seen or heard anything from or about any parish council meetings/elections/initiatives. In fact I did not think there was a parish council in or around Letchworth, only NHDC and The Heritage Foundation. Both of these have held elections in the time I have lived here.

ID	In what capacity are you responding to this consultation?	Which parish or area are you responding about?	What would you like to tell North Herts Council about the current parish electoral arrangements in this area?
			I can therefore only conclude that any Parish Council that does exist is woefully ineffective.
23	I'm responding in my capacity as a resident;	Letchworth ;	No change required.
33	I'm responding in my capacity as a resident;	Letchworth ;	We rejected a parish council previously and see no reason to introduce another level of government that cost us a considerable sum to cancel. I can see no useful purpose in setting up an organisation that spends public money.
39	I'm responding in my capacity as a resident;	Letchworth ;	The current Parish and Town boundaries are in the right plaes.
69	I'm responding in my capacity as a resident;	Letchworth ;	Keep it as is we previously abolished a parish council due to its waste of public funds.
80	I'm responding in my capacity as a resident;	Letchworth ;	No changes required
89	I'm responding in my capacity as a resident;	Letchworth ;	Locally in Letchworth we have the anomaly of the Letchworth Heritage Foundation which has i suggest has outlived its usefulness. In Letchworth we have to go through two Planning organisations in order to build extensions etc . If we want to remove a hedge an deceased tree the permission must be sought from Letchworth Heritage Foundation. Would it not be worth winding the Foundation up and transferring assets to the local council and then any subsequent profits be used to reduce council tax bills.
83	I'm responding in my capacity as a resident;	Letchworth ;	n
37	I'm responding in my capacity as a Parish/Town Councillor ; Offley Parish Council parish Councillor	Offley ;	<p>The current arrangements include Cockernhoe in the Offley Parish Council, in reality Cockernhoe is not very close and maybe better matched with say Breachwood Green. The Village of Lilley sits as a separate Parish and maybe better matched with Offley as some issues, I e bus services, effect both areas and they geographically much closer.</p> <p>I would like to see more devolution to Parish Councils, I e a much greater say in Highway issues issues as these effect parishes more and more. These would include speed, condition of the carriageways, heavy vehicle bans, etc. At present the parishes seem to have little say with Highways on issues which affect them.</p>
55	I'm responding in my capacity as a resident;	Offley ;	I think a parish council is highly valuable to us the residents it is a valid point of contact with someone who is very aware of the community they live in and therefore is qualified to represent us in any proposals that may effect the local environment and people that live there.
130	I'm responding in my capacity as a resident;	Offley ;	Not so much borders definitely post codes
7	I'm responding in my capacity as a resident;	Pirton ;	I'm not closely involved enough to make an informed opinion, but things seem to be working o.k as they are.
30	I'm responding in my capacity as a resident;	Pirton ;	I know someone who wasn't asked for ID when voting (even though they took it with them)

ID	In what capacity are you responding to this consultation?	Which parish or area are you responding about?	What would you like to tell North Herts Council about the current parish electoral arrangements in this area?
59	I'm responding in my capacity as a resident;	Pirton ;	Boundaries are correct. I would like to see some provision for the voice of young people to be heard on the Parish Council.
62	I'm responding in my capacity as a resident;	Pirton ;	Would like to see PPR introduced
74	I'm responding in my capacity as a resident;	Pirton ;	The current arrangements, whereby the Parish Council meet in the Village Hall, are not all inclusive hence I believe, the very low attendance at their meetings of local residents. I would suggest that access to meetings via "zoom" or like would encourage more active participation by local residents. The use of social media such as facebook has highlighted the lack of communication by the current council when "hot topics" are commented on by residents who are able to use the platform to express their thoughts.
90	I'm responding on behalf of a Parish or Town council*; Pirton Parish Council	Pirton ;	The parish boundaries do reflect the local community. We have right number of seats on the parish council, but are always short of councillors to fill these seats. There have been no changes locally that mean parish arrangements should change. We would prefer election dates for the parish council and the district council to be on the same date in future.
129	I'm responding in my capacity as a Parish/Town Councillor ;I'm responding on behalf of a Parish or Town council*; Preston Parish Council	Preston ;	Preston Parish Council is happy with the current parish electoral arrangements. These arrangements reflect the interests of the local community and are convenient for local people. The Parish boundaries are in the correct place.
623	I'm responding in my capacity as a resident;	Reed ;	I think the parish council for Reed works well as it is, I think the boundaries are in the right place.
75	I'm responding in my capacity as a resident;	Reed ;	The current parish system has been in place for many years and is perfect for a small community
76	I'm responding in my capacity as a resident;	Reed ;	The system in place is and has been perfectly adequate for a small parish
106	I'm responding in my capacity as a resident;	Reed ;	I think they are about right. Reed is distinct from other local parishes, having its own clear identity and different interests from, say, Barkway, Chipping and Buckland. It is a small village with a parish council of just 5 members but it appears effective within its sphere of interest and its mandate.
125	I'm responding in my capacity as a Parish/Town Councillor ;I'm responding on behalf of a Parish or Town council*; Reed Parish Council parish Councillor	Reed ;	<p>Reed Parish Council welcomes the opportunity to contribute to this important review. In response to the questions on which we have been invited to offer a view, we have the following observations in relation to the parish of Reed.</p> <p>Do the current arrangements reflect the identities and interests of the local community? If not, what changes could be made to improve that?</p> <p>The current arrangements are, in our view, about right. There has been no call, so far as we are aware, for Reed to merge with any other local parishes, and we would not favour any such merger. Our interests, reflecting those of a small village with fewer than 350 residents, are significantly disparate from those of much larger nearby villages to necessitate the continuance of separate representation. Reed Parish Council currently has 5 members. We have considered whether there is a case for</p>

ID	In what capacity are you responding to this consultation?	Which parish or area are you responding about?	What would you like to tell North Herts Council about the current parish electoral arrangements in this area?
Page 194			<p>expanding the Council to 6 members and have concluded that there is not, at least at the moment. Not even our longest-serving members can remember a meeting going inquorate. Whilst our members work hard to fulfil their duties, these are generally manageable within the current resources. This might change if the Council were obliged to take on significant new projects or responsibilities.</p> <p>Are the current arrangements effective and convenient for local people? If not, what changes could be made to improve them?</p> <p>Reed Parish Council works well within the community it serves. Councillors are accessible and responsive. The small size of the parish also means that most councillors are known personally to residents. A community WhatsApp group, as alongside our website, is well-used and lively, and provides a useful forum within which matters of local concern can be raised and responded to efficiently.</p> <p>Are the current Parish and Town boundaries in the right place, or are some properties divided from their communities?</p> <p>Whilst it is true that some properties within Reed Parish are at a distance from the main village, it is not clear that allocating them to another parish would provide a better solution. For example, the A10 provides a natural boundary between Reed and Reed End, the latter being part of Therfield parish. Moreover, some properties are by their nature rural and isolated, for example present and former farmhouses. We therefore see no case for changing the boundary.</p>
10	I'm responding in my capacity as a resident;	Royston Town ;	I believe the current arrangements reflect the identities and interests of the local community and are effective and convenient. I believe they are in the right place.
16	I'm responding in my capacity as a resident;	Royston Town ;	Not sure what the purpose of Royston Town Council is, aside managing council property bookings and running the May Fayre. Their decisions are always over ruled by NHDC. Would prefer for their tasks to be taken on by NHDC (as other towns have done) and residents to be given a council tax reduction.
21	I'm responding in my capacity as a resident;	Royston Town ;	It is fine. No changes needed.
35	I'm responding in my capacity as a resident;	Royston Town ;	I am happy with the current arrangements.
36	I'm responding in my capacity as a resident;	Royston Town ;	Parish ward boundaries should be redrawn to mirror the district council ward boundaries. Consideration should be given to the number of Royston Town councillors which I believe is too large.
82	I'm responding in my capacity as a resident;	Royston Town ;	I believe Royston is split into districts, I would have thought it would make more sense for us to be a complete section, as any decisions affect the whole town.
91	I'm responding in my capacity as a resident;	Royston Town ;	I think most residents have no idea what they do. There should be a better way of communicating their role and activities.
91	I'm responding in my capacity as a resident;	Royston Town ;	Current arrangements and boundaries are fine.
100	I'm responding in my capacity as a District Councillor;I'm responding in my capacity as a Parish/Town Councillor ;I'm responding in my	Royston Town ;	Town Council wards should reflect District wards as far as possible, to avoid confusion to residents and to make running elections more straightforward and efficient. In practice Town Councillors represent all Royston residents, not only those in their ward, so the Ward boundaries make little difference to community representation. The number of Councillors on Royston Town Council is sufficient and should

ID	In what capacity are you responding to this consultation?	Which parish or area are you responding about?	What would you like to tell North Herts Council about the current parish electoral arrangements in this area?
	capacity as a resident; Royston Town Council Parish Councillor		<p>be maintained at 15. These should be elected to 3 Wards to match the District Wards as follows: Royston Palace - 4 Town Councillors, Royston Heath 5 Town Councillors, Royston Meridian 6 Town Councillors. This would mean that Royston Heath would include Royston Garden Lane (1), Royston West (3) &amp; Royston Willowside (1) and Royston Meridian would include Royston Meridian (5) &amp; Royston South (1).</p> <p>The Electoral cycle of the Town Council should be adjusted to coincide with the District elections, such that Town Councillors elected in 2026 would be elected for a 2 year term only and be re-elected on 4 year terms from 2028.</p>
101	I'm responding in my capacity as a resident;	Royston Town ;	I think councillors elected to Royston Town Council should live in the area they are representing
120	I'm responding on behalf of a Parish or Town council*; Royston Town Council	Royston Town ;	<p>Members of Royston Town Council were disappointed when their response to the LGBCE review was not taken into account and six parish wards were set for Royston, two of them with just one allocated councillor.</p> <p>Royston Town Council met on 23rd September 2024 and their official consultation representation is detailed below -</p> <p>There should be three wards in Royston rather than the six parish wards that were agreed after the LGBCE review -</p> <ul style="list-style-type: none"> <li>• Royston Heath Ward – to include the wards for Royston West, Royston Willowside and Royston Garden Lane - allocated 5 Town Councillors.</li> <li>• Royston Palace Ward – to remain as is - allocated 4 Town Councillors</li> <li>• Royston Meridian Ward – to include the wards for Royston Meridian and Royston South - allocated 6 Town Councillors.</li> </ul> <p>The electoral arrangements for Royston Town Council should be brought into line with North Herts Council whereby the town councillors elected in 2026 would have a shortened term of office (2 years) and their term of office would expire in 2028.</p> <p>The total number of councillors should be 15 and this should not be reduced.</p>
126	I'm responding in my capacity as a District Councillor;	Royston Town ;	<p>The proposed one member wards for Royston Town Council are not suitable. It is not equitable that ~1% of the town's population in each case should elect 1/15 of its councillors. This will also be confusing for residents and lead to fewer contested elections.</p> <p>A better solution would be to match the 3 District wards. If Meridian is considered too large, then it could be divided into North and South, along Newmarket Road (RMR-1&amp;2 and RMR-3&amp;4).</p> <p>You might also like to consider reducing the number of councillors from 15 to 14. This would mean the seats could be divided in exactly the same proportion as district wards (i.e. 4, 6, 4 vs 2, 3, 2).</p>
12	I'm responding in my capacity as a Parish/Town Councillor ; Rushden and Wallington Parish Council	Rushden and Wallington ;	<p>Our Parish is made up of three villages, Wallington, Rushden and Redhill.</p> <p>However, Redhill, for some reason is split into 2 and one half is in the Rushden and Wallington Parish and the other half is in the Parish of Sandon. It would make much more sense to include the whole of Redhill into the parish of Rushden and Wallington as it would include all the residents in the same Parish and make them feel much less divided.</p>

ID	In what capacity are you responding to this consultation?	Which parish or area are you responding about?	What would you like to tell North Herts Council about the current parish electoral arrangements in this area?
72	I'm responding in my capacity as a resident;	Rushden and Wallington ;	A small parish that is able to truly reflect the views of its residents. Both villages share similar issues and concerns so a joint parish council is ideal
115	I'm responding in my capacity as a resident;	Rushden and Wallington ;	The current arrangements are efficient and convenient.. The current Parish boundaries does not include our part of Redhill. I would like this to be corrected as we are in the Parish of Wallington and wish to keep this boundary in place.
116	I'm responding in my capacity as a resident;	Rushden and Wallington ;	I live in Redhill and am on the Wallington side of the parish. The line runs down the middle of the road. I do not wish the boundaries to change. I like the history of us being in 3 parishes. I have not felt there is a problem when it comes to planning or anything else.
67	I'm responding in my capacity as a resident;	St. Ippolyts ;	I think parish councils are living in a previous age of lordships and serfs and are not representative of the modern age. They add an unnecessary step in the planning process and could easily be abolished.
102	I'm responding in my capacity as a resident;	St. Ippolyts ;	The village green at Gosmore would be much appreciated and needed if the parish would allow us to have a local market for the village, on the village green. Perhaps once per month or more. To sell local produce foods, fruit, vegetables, drinks, home made items. Their refusal was due to parking issues but there are many events in the village and cope admirably with parking, it would be of be of great help especially to the elderly and mothers at home and young families.
109	I'm responding in my capacity as a resident;	St. Ippolyts ;	While I believe the council currently acts mostly in the interests of the parish, I see important subjects that affect the local community sideline in favour of more status quo and basic admin. Digital connectivity is seemingly ignored, the local school suffers as a result, and provision for child recreation areas is woefully lacking in certain parts of the parish. Improvements to parish effectiveness is paramount to ensure the forward-looking interests of the community are addressed.
118	I'm responding on behalf of a Parish or Town council*; St Ippolyts Parish Council	St. Ippolyts ;	Resolved. No change to our civil boundary that includes north and south wards also land west of Stevenage.
96	I'm responding on behalf of a Parish or Town council*; Weston Parish Council	Weston ;	<p>The survey was discussed at the Parish Council meeting on the 8th August 2024. Our official response is as follows:</p> <p>We are happy with the current arrangements but anticipate that changes will be required in the future. More specifically, the site identified as GA2 in the Local Plan 2011-2031 would more than double the number of residential properties in the parish. Since the residents of that site will identify as being part of Great Ashby rather than Weston, it would be sensible to move the parish boundary to reflect that.</p> <p>In the event that development takes place on the GA2 site we would therefore request that the parish boundary be moved such that the area defined as GA2 in the Local Plan 2011-2031 is moved from the Parish of Weston into that of Great Ashby.</p>
43	I'm responding in my capacity as a resident;	Wymondley ;	Wymondley Parish Council covers a diverse area consisting of Great Wymondley, Little Wymondley, Redcoats Green, Titmore Green and Todds Green. A disproportionately high amount of the annual budget is allocated to the largest village Little Wymondley. I do not suggest any boundary changes but perhaps the budget could be redefined to show the spending split by the five villages/hamlets so that residents can see that they are getting a fair return on the council tax they are paying.

ID	In what capacity are you responding to this consultation?	Which parish or area are you responding about?	What would you like to tell North Herts Council about the current parish electoral arrangements in this area?
60	I'm responding in my capacity as a resident;	Wymondley ;	<p>Reverse the Beeching Cuts of 1963 and restore Wymondley station.</p> <p>Or at the least, open a convenience store in Little Wymondley for the local residents.</p> <p>The recent road works are going well so thank you.</p> <p>And yes, the current Wymondley boundary is in the correct place.</p>
95	I'm responding in my capacity as a resident;	Wymondley ;	I believe Todd's Green should be taken out of Stevenage and put into Wymondley. Any major changes would affect us more than Stevenage and we should be able to have a say about it.

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**HAVE  
YOUR  
SAY**

## on a new Town Council for Baldock.

We want to know what you think about the proposed changes in your area.

**A Town Council for Baldock with two wards (to align with the district wards) made up of 9 Town Councillors:**

- **Baldock East:** represented by 3 Town Councillors
- **Baldock West:** represented by 6 Town Councillors

To adjust the boundaries of Clothall Parish and Bygrave Parish so the new parish boundaries follow the district ward boundaries.

**Please note** that the establishment of a Town Council will affect your council tax. To give you an example, in North Hertfordshire those homes with a parish/town council in Band D pay between £22 - £121 additionally per year per household as part of their Council Tax.

## Area CBW moves from Clothall to Baldock West; CBE from Clothall to Baldock East; BBE from Bygrave to Baldock East.



A larger map can be viewed at [www.north-herts.gov.uk/community-governance-review](http://www.north-herts.gov.uk/community-governance-review).

**Please note that no decisions have been made on either recommendation.**

**Your feedback will be considered at a future council meeting so it is therefore important that you respond to this consultation.**

North Herts Council is undertaking a review of parish electoral arrangements, known as a Community Governance Review (or CGR). You can find all the details at [www.north-herts.gov.uk/community-governance-review](http://www.north-herts.gov.uk/community-governance-review).

As part of the review, we're inviting you to have your say on the draft recommendations that have been developed from the responses to the first consultation (which closed in October 2024) on the current parish electoral arrangements.

**The draft recommendations may affect you.**

## To have your say

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**The deadline for responses is 2 May 2025.**

Whether you agree or disagree with the draft recommendations, please tell us your views and any alternative proposal you may have.

# HAVE YOUR SAY

## on a new Town Council for Hitchin.

We want to know what you think about two changes proposed in your area: a Town Council for Hitchin and a change to a parish ward for St Ippolyt's.

**RECOMMENDATION 1:** To establish a Town Council for Hitchin with 5 wards (to align with the district wards) with 13 Town Councillors:

- **Hitchin Priory:** (includes St Ippolyt's North): represented by 3 Town Councillors
- **Hitchin Oughton:** represented by 2 Town Councillors
- **Hitchin Bearton:** represented by 3 Town Councillors
- **Hitchin Walsworth:** represented by 3 Town Councillors
- **Hitchin Highbury:** represented by 2 Town Councillors

**Please note** that the establishment of a Town Council will affect your council tax. To give you an example, in North Hertfordshire those homes with a parish/town council in Band D pay between £22 - £121 additionally per year per household as part of their Council Tax.

## **RECOMMENDATION 2: To move St Ippolyt's North parish ward from St Ippolyt's Parish Council to become part of Hitchin Town Council (as part of Hitchin Priory ward).**



A larger map can be viewed at [www.north-herts.gov.uk/community-governance-review](http://www.north-herts.gov.uk/community-governance-review).

**Please note that no decisions have been made on either recommendation.**

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**The draft recommendations may affect you.**

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**HAVE  
YOUR  
SAY**

**on a new parish ward for Lavender Grange.**

We want to know what you think about the proposed changes in your area.

**The creation of a new parish ward for the Lavender Grange community, represented by two Parish Councillors, which would be part of Ickleford Parish Council:**

- **Ickleford Parish ward:** represented by 5 councillors
- **Lavender Grange ward:** represented by 2 councillors

# Proposed parish ward for Lavender Grange (Area ILG).



A larger map can be viewed at [www.north-herts.gov.uk/community-governance-review](http://www.north-herts.gov.uk/community-governance-review).

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**The draft recommendations may affect you.**

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**The deadline for responses is 2 May 2025.**

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**HAVE**

**YOUR**

**SAY**

**PICTURE TO  
FOLLOW**

## Have your say on moving Redhill village into Wallington Parish.

We want to know what you think about the proposed changes in your area.

**The boundary would be changed so that the whole of Redhill village is in Wallington parish.**

Currently Redhill village is split between Rushden and Wallington Parish and Sandon Parish.

**To increase the number of Parish Councillors for Rushden and Wallington from 5 to 7.**

**Rushden:** to have 4 Parish Councillors

**Wallington:** to have 3 Parish Councillors

# Area SW moves from Sandon to Wallington; RW from Rushden to Wallington.



A larger map can be viewed at [www.north-herts.gov.uk/community-governance-review](http://www.north-herts.gov.uk/community-governance-review).

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As part of the review, we're inviting you to have your say on the draft recommendations that have been developed from the responses to the first consultation (which closed in October 2024) on the current parish electoral arrangements.

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**The deadline for responses is 2 May 2025.**

Whether you agree or disagree with the draft recommendations, please tell us your views and any alternative proposal you may have.





**HAVE**

**YOUR**

**SAY**

## **on changes – should St Ippolyts North ward be part of a new Hitchin Town Council?**

We want to know what you think about the proposed changes in your area.

**A new Town Council is being proposed for Hitchin and residents currently within the St Ippolyts North parish ward would become part of Hitchin Priory Ward (part of Hitchin Town Council if formed).**

**If that happened the number of Parish Councillors on St Ippolyts would reduce from 8 to 7.**

**Or:**

**If St Ippolyts Parish Council remained as it is – made up of two wards, the number of Parish Councillors would reduce from 8 to 7:**

- **South ward:** represented by 4 Parish Councillors
- **North ward:** represented by 3 Parish Councillors

# Area INH moves St Ippolyt's North to Hitchin Priory parish ward.



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**Please note that no decisions have been made on either recommendation.**

**Your feedback will be considered at a future council meeting so it is therefore important that you respond to this consultation.**

North Herts Council is undertaking a review of parish electoral arrangements, known as a Community Governance Review (or CGR). You can find all the details at [www.north-herts.gov.uk/community-governance-review](http://www.north-herts.gov.uk/community-governance-review).

As part of the review, we're inviting you to have your say on the draft recommendations that have been developed from the responses to the first consultation (which closed in October 2024) on the current parish electoral arrangements.

**The draft recommendations may affect you.**

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**The deadline for responses is 2 May 2025.**

Whether you agree or disagree with the draft recommendations, please tell us your views and any alternative proposal you may have.



## on proposed changes to our parish arrangements.

This is your opportunity to tell us what you think about the draft proposals that have been formulated from the responses to the first consultation (which closed in October) on the current parish electoral arrangements.

- For each parish council there is the proposal to change the electoral cycle so that all scheduled parish elections are held on the same year as the district council elections.
- For some parishes there are proposals to change boundaries and/or the numbers of parish councillors.

**Please note** that the establishment of a Town Council will affect your council tax. To give you an example, in North Hertfordshire those homes with a parish/town council in Band D pay between £22 - £121 additionally per year per household as part of their Council Tax.

- For some parishes there are suggestions to change the ward boundaries.
- There is also the draft proposal to establish new Town Councils in Baldock and Hitchin.

North Herts Council is undertaking a review of parish electoral arrangements, known as a Community Governance Review (or CGR). You can find all the details at [www.north-herts.gov.uk/community-governance-review](http://www.north-herts.gov.uk/community-governance-review).

As part of the review, we're inviting you to have your say on the draft recommendations that have been developed from the responses to the first consultation (which closed in October 2024) on the current parish electoral arrangements.

**The draft recommendations may affect you.**

## To have your say

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**The deadline for responses is 2 May 2025.**

Whether you agree or disagree with the draft recommendations, please tell us your views and any alternative proposal you may have.

<b>FULL COUNCIL</b>
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<b>27 FEBRUARY 2025</b>
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<b>*PART 1 – PUBLIC DOCUMENT</b>
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**TITLE OF REPORT: LEADERSHIP TEAM AND SENIOR MANAGEMENT RESTRUCTURE**

REPORT OF: HEAD OF PAID SERVICE

EXECUTIVE MEMBER: LEADER OF THE COUNCIL

COUNCIL PRIORITY: THRIVING COMMUNITIES / ACCESSIBLE SERVICES / RESPONSIBLE GROWTH / SUSTAINABILITY

**1. EXECUTIVE SUMMARY**

This report sets out proposed changes to the structure of the Council's Leadership Team and Senior Management, to create additional capacity to support the delivery of the Council Plan whilst also ensuring staff are supported, work is delivered, and strategic leadership is provided. The recent Local Government Association Corporate Peer Challenge identified that the service directors are stretched, and current arrangements are allowing insufficient time for strategic leadership as they are regularly drawn into operational activities.

**2. RECOMMENDATIONS**

- 2.1. That the ongoing additional budget of £112k per year is approved for inclusion in the Budget 2025/26 (Revenue Budget and Investment Strategy).
- 2.2. That Council note the proposed Leadership Team and Senior Management arrangements as set out in the report and the proposed timetable for the implementation of these arrangements.
- 2.3. That Council waive the constitutional requirements for the appoint of a Director, in this instance, and authorise the Head of Paid Service to offer the new role of Director - Regulatory to the current Service Director Housing and Environmental Health.
- 2.4. That the Monitoring Officer and Chief Finance Officer be authorised to make the necessary amendments to the Council's Constitution (including the Contract Procurement Rules and Financial Regulations) and any consequential title changes to other Policy and Procedure documentation, to reflect the new Leadership Team and Senior Management arrangements.

**3. REASONS FOR RECOMMENDATIONS**

- 3.1. To ensure that the Council has a Leadership Team and Senior Management structure that is fit for purpose and is able to deliver the Council's priorities. The proposed structure also responds to one of the recommendations in the Corporate Peer Challenge report.

#### **4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1. Alternative options were considered and discounted prior to the commencement of the consultation with staff. These options are explained in more detail in section seven below, but in short were do nothing, reinstate a Deputy Chief Executive role, or adopt a more hierarchical structure akin to the pre-2018 structure. Options for division of services across the seven-director model were explored prior to and during the consultation with staff.

#### **5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS**

- 5.1. Directly affected staff were consulted along with representatives from Unison, between 6 January and 7 February 2025. In accordance with the Council's Reorganisation Policy this consisted of group meetings, individual meetings, Staff Consultation Forum, and opportunities to provide written feedback. Additionally, all staff were informed of the consultation and the proposals being consulted on. Members were given the opportunity of a briefing on 3 February 2025 to explain the proposals within this report. As part of developing the proposals prior to the commencement of consultation with staff information was sought from relevant neighbouring Councils on their senior officer structures and the costs of them.

#### **6. FORWARD PLAN**

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

#### **7. BACKGROUND**

- 7.1. The current structure of the Council's Leadership Team was designed in 2017 and implemented in June 2018. Initially the model was Chief Executive, Deputy Chief Executive and six Service Directors. In July 2020 the Chief Executive and Deputy Chief Executive posts were deleted and replaced by the Managing Director role. The Service Director roles remained unchanged. During 2020/21 the permanent team was supplemented by a part time Service Director Transformation.

##### **Long standing capacity issues**

- 7.2. The issue of lack of capacity within the Leadership Team was acknowledged during the Managing Director's Regular Performance Review with Group Leaders in May 2022. The discussion acknowledged that the structure had been designed in 2017/18 to deliver business as usual. Much had changed since then (eg deletion of the Deputy Chief Executive post in 2020, the pandemic, Ukraine conflict, recruitment/retention issues) and it had put a huge strain on the team. It was agreed that the Leadership Team structure and capacity would be reviewed in 2024 as part of initial planning of the four-year administration – so the structure could take into account what was required to deliver the administration's programme. The ongoing issue of Leadership Team capacity has been a recurring feature of discussions with Group Leaders, given the difficulties delivering the Council's agenda and its statutory services, or responding to external events (such as the Baldock Industrial Estate fire, Hitchin floods, or government funding opportunities) with the resource available, whilst also supporting the service managers and teams and providing strategic leadership.

- 7.3. It became apparent in late 2022 that there was significant strain on parts of the Leadership structure. Therefore, at the Council budget meeting on 23 February 2023 the following resolution was passed: “Council notes the staff resourcing issues that the Council faces, particularly in relation to planning and the strategic implementation of the Local Plan, and notes that Cabinet and the Head of Paid Service will look at options to make use of available resources (such as carry forward of unspent salary budgets) to support the delivery of key Council functions and priorities.” Cabinet at its meeting on 14 March 2023 approved the use of £140k for additional Service Director capacity to deliver existing Council priorities. It was agreed to create an additional fixed-term role (around 18 months) at the Service Director level in Regulatory, to allow the current Service Director to focus on strategic Planning issues.

#### **Temporary seventh Service Director post**

- 7.4. Following an external recruitment process (which followed the same process as our permanent recruitment process for a Service Director, including Employment Committee interview), a Service Director Housing and Environmental Health was appointed as a secondee from Hertfordshire County Council (HCC) from 14 August 2023 for an initial period of 18 months, to 13 February 2025. This was recently extended to 31 March 2025, in order to provide more time to consider permanent alternatives to the Leadership Team structure.
- 7.5. The key tasks set for the Service Director Housing and Environmental Health on appointment were to address the staffing challenges within the Environmental Health team and to work with partners to seek solutions to the temporary housing difficulties the Council faces. During their employment the additional Service Director has facilitated secure temporary accommodation (86 units) at Anderson House for homeless people working initially with Helping Herts Homeless and Homes England to secure a £3.75M capital contribution and £1.2M revenue over 3 years. They have also worked with HCC to provide a Homeless Women’s temporary accommodation in North Herts (6 units). The Environmental Health team has been restructured, with a ‘grow your own’ model adopted and options identified to strengthen the team (subject to Full Council decisions on budgets). Since taking on responsibility for licensing and community safety, has worked with the team to resolve the issues with the Cat Survival Trust, working in partnership with the Police, and various Zoos to rehome 28 wild cats who might otherwise have been destroyed. Additionally, the Service Director was on the working groups for the staff survey and to prepare for the Corporate Peer Challenge, whilst also being a member of the Digital Transformation Oversight Group and acting as one of the Company Directors of the Council’s holding company.

#### **Corporate Peer Challenge recommendation**

- 7.6. The recent Corporate Peer Challenge was asked to consider the capacity of the officer leadership team. Peers agree that the service directors are stretched, and current arrangements are allowing insufficient time for strategic leadership as they are regularly drawn into operational activities. Indeed the peers identified that even with seven directors overall capacity remains stretched. However a higher budget bid (over and above that in recommendation 2.1) was not considered realistic at this time in the context of the Council’s overall financial position.

#### **Comparisons to Other Councils**

- 7.7. In order to inform the considerations on potential structures, the approach taken by the Hertfordshire districts and boroughs and other neighbouring Councils was considered. There is no consistent approach, as structures necessarily reflect the services delivered and the priorities of the individual councils. To give just one example, Stevenage Borough Council retain their housing stock and operate a number of services in house (most notably waste) which we outsource. Their senior structure is therefore different and larger to reflect that.
- 7.8. Research showed that the senior structures of South Cambs, Broxbourne, Hertsmere, East Herts, Dacorum and Stevenage were all bigger and more costly than the current North Herts structure. In some cases, the costs were significantly more than the current costs of the North Herts Leadership Team, for similar sized authorities.

### **Options considered**

- 7.9. Engagement has been undertaken with the Leadership Team across the last twelve months, in order to explore different options and test assumptions, acknowledging that these discussions were without prejudice to individual's rights in the consultation that subsequently followed.
- 7.10. Four options were identified for consideration
- A. Continue with the current approved structure of Managing Director and six Service Directors
  - B. Make permanent the current temporary structure of Managing Director and seven Service Directors, reviewing the areas of responsibility of each director to ensure (as best as possible) even distribution of responsibilities
  - C. Reinstate the Deputy position, alongside option A
  - D. Revert to a structure akin to the pre-2018 position of Managing Director, Strategic Directors and Heads of Service
- 7.11. Factors considered in balancing the pros and cons of the above four options include cost, disruption to services, and addressing the capacity issues.
- 7.12. The only option without a cost implication was option A, however that was discounted as it would not address the long-standing capacity issues of the Leadership Team and the ability to deliver on the Council's ambitions.
- 7.13. Option D was discounted on cost grounds. The previous Strategic Directors were grade 15 and therefore would cost more than the current grade 14 Service Directors and although the Heads of Service were grade 13, any Service Director demoted would maintain salary protection for 3 years (on a sliding scale, with the first year being full protection). Broadly speaking for the same budget as Option B (1x grade 16, 7x grade 14), the Council would be able to afford under Option D 1x grade 16, 2x grade 15 and 4x grade 13. This would leave a structure with one less officer than Option B and therefore fail to address the long-standing capacity issues. It should be noted that the reason a flatter structure was adopted in 2017/18 was to save money, therefore it is not surprising that to reverse that approach would cost considerably more.
- 7.14. In comparing options B and C, it was considered that the issues with Leadership Team capacity would best be addressed through an extra Director, rather than the Deputy



position. This is also the cheaper option as Option C costs more than Option B. The experience of the Managing Director (who was previously Deputy Chief Executive 2017-2020) was that the Deputy role would be of greatest benefit to the Managing Director, rather than relieving pressure on the Service Directors, where the capacity issues are most felt.

- 7.15. Therefore, for all the reasons above, plus the positive impact that having a seventh Director since August 2023 has had (see paragraph 7.5), means option B was the approach chosen as the basis for a revised structure.

## **8. RELEVANT CONSIDERATIONS**

### **Design Principles**

- 8.1 In reviewing the structure based on a seven Director model, the design principles adopted were:-

- to design roles where service areas logically sit together
- not to design roles around current incumbents (in order to future proof the structure as best as possible)
- spread responsibility for the major corporate projects
- to seek (where possible) to balance the demands of the roles
- not to make any redundancies as part of this restructure, as this would be counter productive to the aim of increasing capacity in the structure.

### **Proposed Structure**

- 8.2 The proposed structure is attached at Appendix A, which shows changes to the existing structure in purple and key corporate projects in red. The proposed structure has changed during the staff consultation to reflect feedback received and what is presented to Full Council is the final proposed structure based upon that feedback. It is right to acknowledge that it has not been possible to act upon all the feedback received, but it has all been carefully considered. It is also important to acknowledge that there is no perfect structure, but it is believed by the Head of Paid Service that this proposal is the best balance that can be achieved at the current time. Also attached at Appendix B are the revised structure chart and at Appendix C the current structure chart.

### **Chief Executive**

- 8.3 The proposal is to rename the Managing Director role to Chief Executive, to bring into line with standard practice in Local Government. As a comparison, Hertsmere renamed their Managing Director role to Chief Executive in May 2024. There are no other changes proposed to this role, which remains Head of Paid Service.

Following feedback during the consultation the Service Director job titles will be simplified to Director.

### **Director - Environment** (30 hrs)

- 8.4 This role has *evolved from the current Place* directorate. Responsibility for communications is removed in order to reflect the capacity of the role (as it is 30 hours, rather than full time), as there is no other logical alternative service area to remove. In

recognition of the issues facing the district in the future, this role is designated as strategic flood lead (a new responsibility) due to the links to climate change and that our green spaces will play a role in mitigating flood risks. To be clear this is not intended to usurp any other agency's responsibilities in respect of flooding, but to provide a strategic co-ordinating role within the Council. Additionally, the Community Wellbeing team will report to the Leisure and Active Communities Manager, which was the arrangement pre-2018. The teams already work together and share an apprentice. The major project is the Public Sector Decarbonisation Scheme. It is renamed to better reflect the revised responsibilities.

### **Director – Place**

- 8.5 This role has evolved *from the current Regulatory* directorate. It is broadly consistent with the temporary arrangements for that directorate, but removes the Safety Advisory Group responsibility as that better fits with other service areas. The major project is the Local Plan Review (as well as implementation of the current Local Plan). It is renamed to better reflect that the main focus of this role is now on place making. The alternative name considered was Growth, but there was a large amount of feedback from the planning team that this could be construed negatively, particularly when undertaking development control functions.

### **Director - Customers**

- 8.6 This role keeps the same name as the existing directorate. Communications is moved into this directorate, as the most logical fit available. The major project for this area is the digital transformation project, which is key to our plans to modernise the Council and make us more efficient. Therefore, in order to create capacity to deliver that project, it is proposed to remove Revenues and Benefits.

### **Director – Regulatory**

- 8.7 This is the additional role which has evolved from *the temporary Service Director Housing and Environmental Health*, which currently is responsible for Housing, Environmental Health, and more recently Licensing and Community Safety. The major project is the Anderson House temporary accommodation project. The responsibility for CCTV is moved to Community Safety. Finally, this Director would be lead for the Safety Advisory Group and Community Safety Partnerships, as best fit with the regulatory service areas, plus Strategic Lead for Health. This latter role is currently being informally covered by the Service Director Housing and Environmental Health, so it is intended to formalise that responsibility. The name reflects the nature of the service areas included.

### **Director - Resources**

- 8.8 This role retains the same name as the current role and remains the Council's s.151 officer. As it is one of the statutory officer roles, with the demands that brings, it does not have any major projects in this area (albeit the budget consultation and ongoing work to balance the budget is an important project in its own right). The biggest change for this directorate is the inclusion of Revenues and Benefits, which is often paired with finance in many councils, due to the emphasis on systems and processes. In order to create capacity for managing that area responsibility for Building Services, CCTV and Assets of Community Value are removed.

### **Director - Governance**

- 8.9 This role has evolved from the *current Legal and Community* directorate and remains the Council's Monitoring Officer. As it is one of the statutory roles, with the demands that brings, it does not have any major projects in this area. Recognising the capacity issues with the existing directorate, the current temporary arrangement that sees Licensing and Community Safety managed elsewhere is made permanent. Additionally, the responsibility for Community Wellbeing is removed. Responsibility for Assets of Community Value will move to this directorate and sit with the Policy and Community Manager. The corporate lead responsibility for Safeguarding also sits within this directorate and supports all other directorates to discharge the relevant legislative duties. The Director role is renamed to better reflect the services that it will cover.

### **Director - Enterprise**

- 8.10 This role retains the same name and is responsible for the Churchgate project. The only change is the addition of Building Services, which naturally fits with the other service areas in this directorate, namely Estates, but also the Museum and Town Hall (who often call upon the Building Services team).

### **Deputising for the Chief Executive**

- 8.11 From 2020 to late 2022 one Service Director was the designated deputy for the Managing Director. However, the experience of this was that it had too big an impact on that role, alongside the regular duties. Since late 2022 the responsibility for deputising has been spread across four Service Directors, each required to deputise for approximately two weeks each year. This has the benefit of spreading the impact whilst providing opportunities for career development for the Service Directors. It is proposed to continue this approach, but that six of the seven Directors, with the exception of the Director Governance, would be available to deputise for the Chief Executive on an ad hoc basis. The Director Governance is excluded as, by law, an officer cannot be both Head of Paid Service and Monitoring Officer.

### **Filling the Director roles**

- 8.12 As all six current permanent Service Directors are a significant match to one of the revised Director positions, each will be slotted into the role most closely linked to existing responsibilities. Members will be aware of the upcoming retirement of two of the Directors and the revised structure will provide more clearly defined roles (Director – Place and Director – Governance) which will hopefully prove attractive to candidates. It may be necessary to put interim arrangements in place whilst the recruitment process is carried out.
- 8.13 As noted in the paragraph above, six of the directors are able to be slotted into a revised role. The exception is the current Service Director Housing and Environmental Health, who is temporarily employed under a secondment agreement from Hertfordshire County Council and therefore is not eligible to be slotted into the revised Director - Regulatory role. Council is asked to rely upon the previous robust recruitment exercise (see paragraph 7.4) and the performance over the 18-month secondment to waive the usual constitutional requirements, including interview by the Employment Committee, and authorise the Head of Paid Service to offer the revised Director - Regulatory role to the Service Director Housing and Environmental Health.

## **Next Steps**

- 8.14 Subject to Full Council's approval, the new structure will be implemented from 1 April 2025 at the start of the new financial year. This also allows continuity with the current temporary arrangements, which are due to finish on 31 March 2025, allows time for the Human Resources team to issue revised Job Profiles as required and allows time for the Council's Constitution and associated documents to be updated to reflect the changes in responsibilities. The consultation with staff has been closed, however the outcome cannot be confirmed until after the Full Council meeting, given the request for additional budget to facilitate the new structure.

## **9. LEGAL IMPLICATIONS**

- 9.1. The Council's Constitution sets out at paragraph 14.6.5 the delegation of authority to the Managing Director which includes at section 14.6.5(a)(i) To carry out the duties of Head of Paid Service (section 4 of the Local Government and Housing Act 1989) which includes all necessary powers for (a) co-ordinating the discharge of all functions; (b) exercising all overall management responsibility for staff. This report is presented to the Council in accordance with paragraph 4.4.1(o) of the Constitution which gives Council responsibility for "receiving reports from the Head of Paid Service on senior management structures of the organisation."
- 9.2. It should be noted that the revisions to the senior management structure do not include any alterations to the appointment of individuals to the posts of Head of Paid Service, Chief Finance Officer or Monitoring Officer. By law these roles must be appointed by Full Council.
- 9.3. In respect of recommendation 2.3, the Councils constitution contains the following requirements, that this recommendation seeks to waive:
- 9.3.1 Mandatory Officer Employment Procedure Rules under the Local Government & Housing Act 1989 and consequential Regulations, as set out at section 12.8. These provide under section 12.8.3 "Recruitment of Chief Officers" the following
- 12.8.3.1 Where the Council proposes to appoint a Chief Officer and it is not proposed that the appointment be made exclusively from among their existing Officers, the Council will:*
- (a) draw up a statement including the following:*
- (i) the duties of the Officer concerned; and*
- (iii) any qualifications or qualities to be sought in the person to be appointed;*
- (b) make arrangements for the post to be advertised in such a way as is likely to bring it to the attention of persons who are qualified to apply for it; and*
- (c) make arrangements for a copy of the procedures mentioned in paragraph*
- 12.8.3(a) to be sent to any person on request.*
- 12.8.3.2 Where a post has been advertised as provided for in*
- 12.8.3.1, the Council shall–*
- (a) interview all qualified applicants for the post, or*

*(b) select a short list of such qualified applicants and interview those included on the short list.*

- 9.3.2 In respect to the interview requirements for a Chief Officer (who is not a statutory officer), the remit for undertaking this function rests with the Employment Committee, as per section 10.3.4 (b).
- 9.4 The Managing Director has sought external HR and legal advice on this issue and whether the requirements set out in 9.3 above can be waived in these circumstances. Confirmation has been received that they can.
- 9.5 The report recognises the financial constraints that the Authority finds itself within and identifies the fact that the Council is required to undertake a significant number of statutory services, and the resourcing of the organisation needs to facilitate this. Revisions to the senior management arrangements need to be undertaken in accordance with the Council's Constitution, employment law and the Council's agreed Reorganisation Policy.
- 9.6 Sections 12 and 14 of the Constitution will be reviewed and amended to reflect any new structures adopted. There will also need to be changes to the Contract Procurement rules (Section 20) and Financial Regulations (Section 19), although there will be a number of Policy and Procedural documents where the area and remit will have to be amended to reflect the new titles and remit and therefore such authority to make these consequential amendments is sought, to the extent required for administrative and operational reasons.

## **10. FINANCIAL IMPLICATIONS**

- 10.1. The additional cost of the proposed structure is £112k per year. To be clear this is not the salary cost but is the 'on-cost' that also includes national insurance and pension costs. The proposal is entry R18 on Appendix B to the Budget 2025/26 (Revenue Budget and Investment Strategy) report later in the agenda of this Full Council meeting. This can in effect be part funded by the salary inflation provision for 2024/25 that was not all required (as noted in the Quarter 2 budget monitoring report to Cabinet).
- 10.2. The wider financial picture of the Council is set out in the Budget 2025/26 report and the Medium-Term Financial Strategy (MTFS) and are therefore not repeated in this report, suffice to say that savings need to be identified and achieved across the MTFS period. Additional capacity at Leadership Team level can help identify and deliver those savings, for example through being better positioned to deliver the digital transformation project.
- 10.3 The Service Director posts have previously been subject to an external job evaluation exercise by Hay to determine the salary level for each post. The additional Director post is consistent with the responsibilities of the other Director posts.

## **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. Maintaining additional capacity helps to manage the corporate Resourcing risk. Ensuring that there is a spread of the Council's major corporate projects also helps to ensure that there is capacity to manage oversight of these projects, which will support delivery and risk management.

## **12. EQUALITIES IMPLICATIONS**

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2. The Council's Reorganisation Policies are developed and consulted upon in a way which complies with the Equalities Act 2010.

## **13. SOCIAL VALUE IMPLICATIONS**

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

## **14. ENVIRONMENTAL IMPLICATIONS**

- 14.1. There are no known Environmental impacts or requirements that apply to this report. However the ability of the Council to respond to its sustainability priority and its climate emergency declaration is compromised if there is insufficient officer resource to deliver on those ambitions.

## **15. HUMAN RESOURCE IMPLICATIONS**

- 15.1 The Human Resource implications are covered within the report. The HR team has been providing support to the Head of Paid Service in advance of, and during, the consultation on the proposed changes to the structure. The consultation has been carried out in accordance with the Council's adopted policies.
- 15.2 If Full Council approves the recommendations in this report, revised Job Profiles will be issued to staff where relevant and the changes reflected in the payroll system.

## **16. APPENDICES**

- 16.1 Appendix A – final proposal
- 16.2 Appendix B – revised structure chart
- 16.3 Appendix C – current structure chart

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**18. BACKGROUND PAPERS**

- 18.1 None.

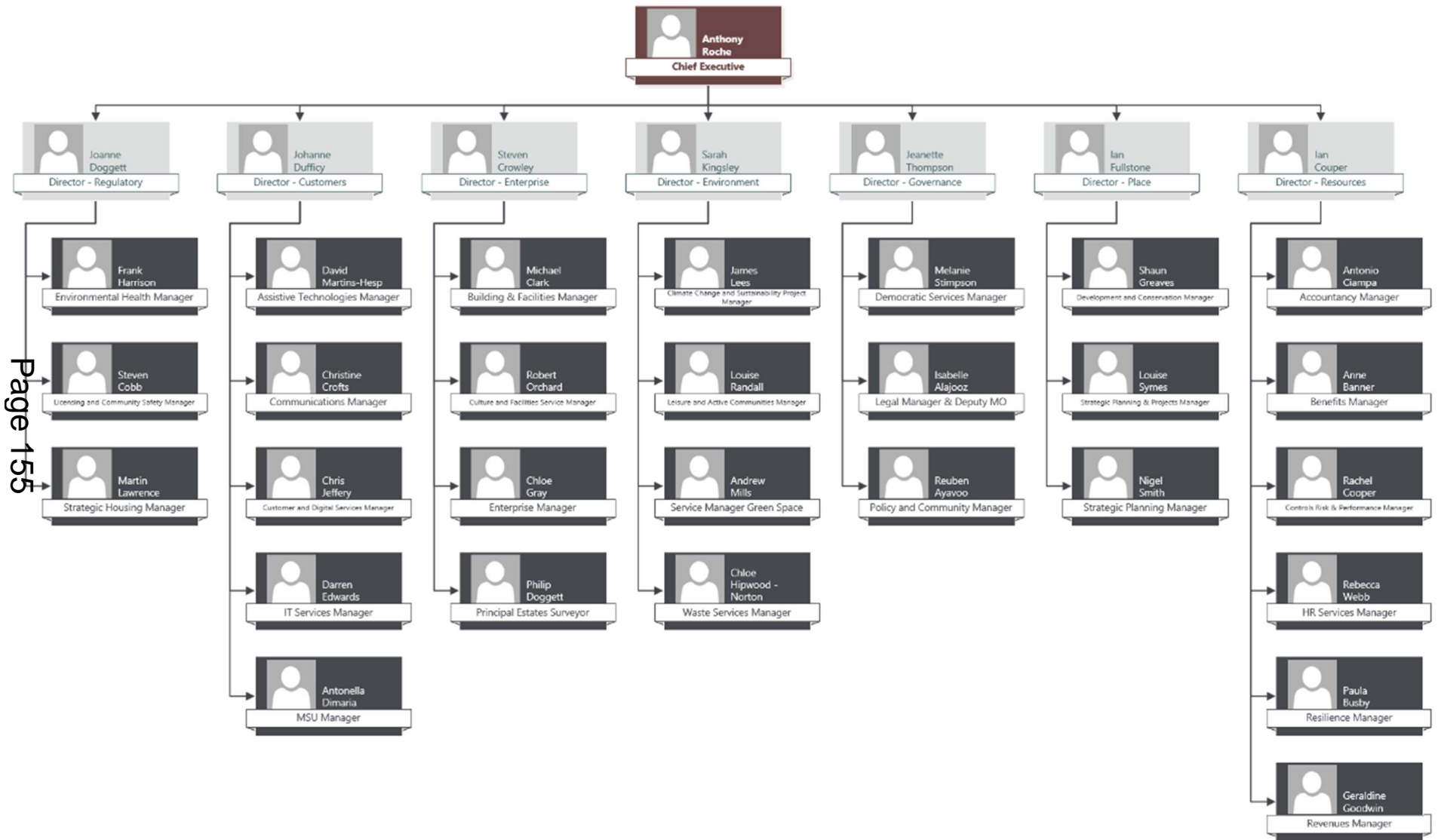
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Appendix A – Proposed Structure showing key areas of responsibility

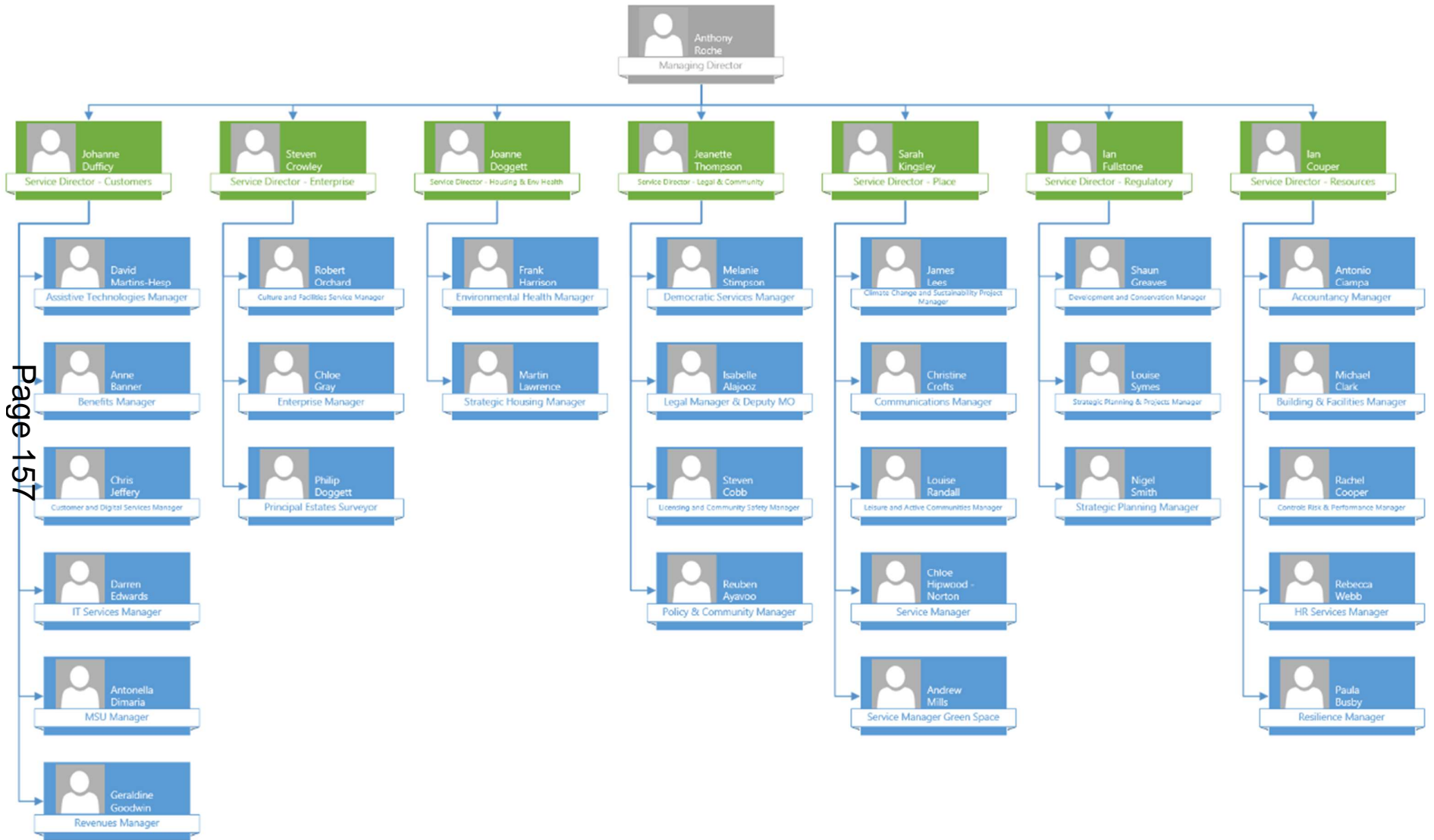
<p><b>Chief Executive</b></p>	<p><b>Director Environment</b> (30hrs)</p> <p>Waste  Green Space (grounds/parks)  Leisure (inc PSDS)  Active Communities  Strategic climate change lead  Community Wellbeing  Strategic flood lead</p>
<p><b>Director Place</b></p> <p>Development Control  Strategic Planning (inc Local Plan review)  Transport  Car Parking  Building Control client</p>	<p><b>Director Customers</b></p> <p>Customers service  Digital (inc digital transformation)  IT  Management Support Unit  Careline  Communications</p>
<p><b>Director Regulatory</b></p> <p>Housing (inc Anderson House)  Environmental Health  Licensing  Community Safety (inc CCTV)  Safety Advisory Group  Strategic health lead</p>	<p><b>Director Resources</b></p> <p>s.151  Accountancy  HR  Performance  Risk  Audit  Insurance  Procurement  Emergency Planning  Revenues and Benefits</p>
<p><b>Director Governance</b></p> <p>Monitoring Officer  Legal services  Electoral services  Committee services  Policy  Safeguarding  Community Partnerships  Scrutiny  Assets of Community Value</p>	<p><b>Director Enterprise</b></p> <p>Estates  Building Control - Director  CCTV - Director  Commercial Operations (inc Churchgate)  Economic Development  Markets  Museums &amp; Town Hall  Property Company  Tourism  Building Services</p>

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January 2025: Leadership Team and direct reports, including temporary Service Director



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**COUNCIL**  
**27 February 2025**

**\*PART 1 – PUBLIC DOCUMENT**

**PAY POLICY STATEMENT 2025/26**

REPORT OF: SERVICE DIRECTOR - RESOURCES

EXECUTIVE MEMBER: LEADER OF THE COUNCIL

COUNCIL PRIORITY: ACCESSIBLE SERVICES

**1. EXECUTIVE SUMMARY**

- 1.1 This report sets out a draft Pay Policy Statement 2025/26 (Appendix 1) for Council's consideration and approval in accordance with the requirements of Section 38 of the Localism Act 2011 (the Act), associated guidance issued under Section 40 of the Act, the Local Government Transparency Code 2015 and any other relevant legislation.

The Statement incorporates elements of existing policy and practice and is required to be agreed annually.

**2. RECOMMENDATIONS**

- 2.1. That Council approves the 2025/26 Pay Policy Statement attached at Appendix 1.
- 2.2. That Council delegates authority for revisions made in year to the Pay Policy Statement, to the Service Director - Resources, in consultation with the Leader of the Council. Revisions which might arise in the year include changes in structure, changes to employment benefits, subsequent pay awards agreed nationally and new legislative requirements.

**3. REASONS FOR RECOMMENDATIONS**

- 3.1 To comply with the requirements of Section 38 of the Localism Act 2011, Statutory Guidance issued under s40 and the Local Government Transparency Code 2015.

**4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1. The Pay Policy Statement reflects current adopted policies and associated statutory reporting arrangements.

**5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS**

- 5.1 There is no consultation required.

## **6. FORWARD PLAN**

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

## **7. BACKGROUND**

- 7.1 The Localism Act 2011 requires Council to approve, on an annual basis, a Pay Policy Statement. The suggested contents of the statement are set out in guidance issued under Section 40 of the Act, the Local Government Transparency Code 2015 and the Enterprise Act 2016.

## **8. RELEVANT CONSIDERATIONS**

- 8.1 The format and general contents of the Pay Policy Statement are unchanged from previous years. The main updates to note are:
- Details of the pay agreement for 2024/25 (Appendix 1 Paras 2.1).
  - Updated pay rates and multiples. As these will be subject to further update when the April 2025 pay claim is agreed, this emphasises the need for recommendation 2.2.

## **9. LEGAL IMPLICATIONS**

- 9.1 Under Section 38 (1) of the Localism Act 2011, the Council must prepare a Pay Policy Statement for each financial year and policies for the financial year relating to the remuneration of its chief officers, the remuneration of its lowest-paid employees and the relationship between the remuneration of its chief officers and its employees who are not chief officers.
- 9.2 Section 38 (4) of the Localism Act 2011 sets out what the Pay Policy Statement must include:
- (a) the level and elements of remuneration for each chief officer,
  - (b) remuneration of chief officers on recruitment,
  - (c) increases and additions to remuneration for each chief officer,
  - (d) the use of performance-related pay for chief officers,
  - (e) the use of bonuses for chief officers,
  - (f) the approach to the payment of chief officers on their ceasing to hold office under or to be employed by the authority, and
  - (g) the publication of and access to information relating to remuneration of chief officers.
- 9.3 The Localism Act 2011 defines remuneration widely, which will include not just pay but also charges, fees, allowances, benefits in kind, increases in or enhancements in entitlements such as pension entitlements and termination payments.
- 9.4 The Localism Act 2011 also confirms that the Pay Policy Statement:
- must be approved formally by Full Council before it comes into force,
  - must be prepared and approved each year,



- as soon as reasonably practicable after approving or amending a Pay Policy Statement, the Council must publish the Pay Policy Statement in such manner as it thinks fit which must include on the authority's website.

9.5 The Council must have regard to any guidance issued or approved by the Secretary of State under Section 40 of the Localism Act 2011.

9.6 Under Section 39 of the Localism Act 2011, the Council's Pay Policy Statement must be approved by resolution of the authority, before it comes into force.

9.7 Sections 38 to 43 of the Localism Act 2011 require Councils to prepare a Pay Policy Statement for each financial year and the Secretary of State, pursuant to section 40, has issued both the original Pay Accountability Guidance in February 2012 and a supplementary guidance in February 2013. The content of this report and the recommendations comply with the Council's responsibilities in this regard. Section 39(4) permits the Council to amend its policy by resolution.

9.8 Section 4.4 (aa) of the Council's Constitution states that Full Council will "agree any award which would exceed the financial limits set out in the Council's Pay Policy Statement". Therefore, the Pay Policy Statement needs to set what this level will be.

## **10. FINANCIAL IMPLICATIONS**

10.1 There are no direct financial implications arising from this report.

## **11. RISK IMPLICATIONS**

11.1 Good Risk Management supports and enhances the decision-making process, increasing the likelihood of the Council meeting its objectives and enabling it to respond quickly and effectively to change. When taking decisions, risks and opportunities must be considered.

11.2 There are no direct risk implications arising from this report.

## **12. EQUALITIES IMPLICATIONS**

12.1 In line with the Public Sector Equality Duty, public bodies must, in the exercise of its 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 Pay Policy Statement reflects the practical arrangements that are in place to ensure all employees are remunerated in accordance with the requirements of the Equality Act and Public Sector Equality Duty and, in particular, through the application of a universal grading scheme, flexible retirement scheme, and salary structure for all staff. The pay policy ensures consistency in regard to pay and remuneration in regard to individual roles, and therefore with no direct adverse impact on any single group with protected characteristics.

### **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 Paragraph 12.

### **14. ENVIRONMENTAL IMPLICATIONS**

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

### **15. HUMAN RESOURCE IMPLICATIONS**

- 15.1 The Pay Statement meets the requirements of the Localism Act 2011.

### **16. APPENDICES**

- 16.1 Appendix 1 - North Herts Council Draft Pay Policy Statement 2025/26

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# North Herts Council - Pay Policy Statement 2025/26

## INTRODUCTION

- 1.1 Local Authorities are required by section 38 of the Localism Act to prepare a pay policy statement and view it alongside the Local Government Transparency Code. This statement outlines our current policy and matters required by the Act and the Transparency Codes relating to the pay of staff, particularly senior staff and the lowest paid employees.
- 1.2 This annual statement covers the financial year 1 April 2025 to 31 March 2026 and is approved by full Council. It will be subject to review annually and in accordance with new or proposed legislation to ensure that it remains relevant and effective.

## BACKGROUND

- 2.1 The NJC pay awards for 2024/25 were agreed in October 2024. The pay awards were as follows:

National Joint Council for Local Government Services

- £1,290 on each spinal point
- 2.5% for spinal points above £51,515

Joint Negotiating Committee for Chief Executives and Joint Negotiating Committee for Chief Officers

- 2.5% on each spinal point

- 2.2 The National pay negotiation process for 2025/26 has begun.
- 2.3 All the pay amounts in this document are at 2024/25 rates.

## GRADING

- 3.1 Our pay scales contain 16 pay bands which each contain 6 incremental points except for Grade 16 and grade 1, which both contain 5 incremental pay points. Grade 1 is the lowest and Grade 16 is the highest of these pay grades. Posts are allocated to a pay band through an analytical job evaluation process. Incremental progression through the pay points is annual, based on satisfactory performance. The Council does not operate performance related pay or a bonus system. Grades 13 & 15 are not currently used.
- 3.2 The lowest grade is Grade 1. The bottom of the Grade 1 pay band is £23,992, the top is £24,868 and the median £24,400.
- 3.3 The Enterprise Act 2016 regulations introduced a Levy for Apprenticeship training set at a rate of 0.5% of an employer's pay bill. The Enterprise Act 2016 also set out that public sector bodies should employ apprentices and may be set targets to increase Apprenticeships, and the Levy is now used for the Apprenticeship training.
- 3.4 The Council employs several temporary Apprentices each year. The scheme supports young people and career changers gain paid meaningful work experience which assists progress to permanent employment. Those employed as level 3 Apprentices will be paid at the bottom of Grade 1, £23,992.

- 3.5 The Accounts and Audit Regulations 2011 require councils to publish the number of employees who are paid over £50,000. This would apply to all full-time managers at grades 11 and 12. Following the April 2024 pay award, the salary (including car allowance) for grade 11 scale point 1 is £50,725. The Council's 2023/24 Statement of Accounts disclosed the number of employees who earned over £50,000. Due to progression through the pay scales and inflation, the number in 2025/26 will be higher. The exact number will be subject to the April 2025 pay award.
- 3.6 The table below shows the current positions for Chief Officers on Grades 14 to 16. At 2024/25 pay rates, excluding car allowance.

<b>Position</b>	<b>Grade</b>	<b>Bottom of Pay Scale £</b>	<b>Top of Pay Scale £</b>
Service Director Commercial	14	72,634	85,071
Service Director Customers	14	72,634	85,071
Service Director Legal & Community	14	72,634	85,071
Service Director Place	14	Pro-rata of 72,862	Pro-rata of 85,071
Service Director Regulatory	14	72,634	85,071
Service Director Resources	14	72,634	85,071
Service Director Housing and Environmental Health	14	72,634	85,071
Managing Director	16	122,906	135,013

- 3.7 The values of the pay points within these pay grades are up rated by the pay awards notified by the National Joint Council for Local Government Services. For the Managing Director the up-rate is usually determined via the Joint Negotiating Committee for Chief Executives of Local Authorities and for Service Director grades are usually up-rated by the Joint Negotiating Committee for Chief Officers of Local Authorities, as the JNC conditions of service apply to these posts.
- 3.8 4.4 (aa) of the Council's constitution states that Council will agree any award that exceeds the financial limits set out in this Pay Policy Statement. The salary limit is £100,000, and therefore will apply to the Managing Director post only, as no other posts are expected to reach this threshold.
- 3.9 The same limit (£100,000) is applied to discretionary severance compensation payment award, which includes:
- Salary paid in Lieu of Notice
  - Outstanding Holiday Pay
  - Redundancy/Compensation under the Discretionary Compensation Regulations 2006
  - Pension strain costs to the Employer

This limit could apply to a much greater range of people, due to pension strain costs being dependant on length of service, current and recent salary amounts and time until standard retirement date.

- 3.10 The Statutory guidance on the making and disclosure of Special Severance Payments (SSP) by Local Authorities in England was published in May 2022. This sets out what is considered to be a SSP (generally where there is discretion as to whether it is paid) and the approval process required. In line with paragraph 3.9 above, any payment over £100k (including those which would not actually be a SSP) are approved by Council. The Council will ensure that all SSPs meet the requirements set out in the regulations.
- 3.11 Returning Officer/counting officer fees are paid by the parish, North Herts Council or the Government and are payable to the Returning Officer in respect of Elections and referendums. In setting a scale of fees and charges for local elections (district, town and parish elections) the Council is complying with The Representation of The People Act 1983, (section 36). These fees are approved by Full Council.

#### **4. FUTURE APPOINTMENTS AND INTERIM ARRANGEMENTS**

- 4.1 If the need arises to provide agency or interim cover the policy is to seek to cap the cost of that appointment at no more than that of the permanent appointment taking into account additional employment costs, pension contributions, national insurance, paid leave etc. However, it is often necessary to pay a higher “market rate” to secure a suitable individual and market rate will be established by reference to soft market testing, external independent advice and dialogue with peer authorities. A decision notice will be published where the cost of an agency or interim arrangement exceeds £75k.
- 4.2 Engaging senior people on a temporary basis as a self-employed worker, a consultant or via an agency occurs only when necessary. This form of employment is a last resort when it is in the economic or operational interests of the Council.
- 4.3 The use of severance agreements and “off payroll” arrangements were the subject of Guidance issued for local authorities in March 2015, known as IR35. From 6 April 2017, responsibility for assessing IR35 status and for deducting and accounting for Pay as You Earn (PAYE) and National Insurance Contributions (NIC) became the responsibility of the public sector body engaging them. The Council implemented the processes to ensure that this legislation is adhered to.

#### **5 PAY MULTIPLES**

- 5.1 In the Hutton Report of March 2011, concern was expressed about multiples in the order of 20 or higher between the lowest and the highest paid employees in Local Authorities. The Council is not required to publish details of these pay multiples but has decided to do so in the interests of transparency.
- 5.2 Under the Local Government Transparency Codes 2014 and 2015, the Council must publish the ratio between the highest paid salary and the median salary of the whole of the Authority’s workforce. The highest paid salary including allowances is £139,013. The median salary of the whole of the Local Authority’s workforce is £31,552 and the multiple is 4.41.

Position/ Grade	Pay Range (including Car Allowance for Grade 12,14,16) £	Median in pay range (inc allowances for Grades 12,14,16) £	Multiple of Grade 1 Median
Grade 1	23,992 – 24,868	24,400	1
Managing Director - Grade 16	126,906 – 139,013	132,954	5.45
Service Directors - Grade 14	76,134 – 88,571	82,340	3.37
Service Managers - Grade 12	55,866 – 64,822	60,338	2.47

All at 2024/25 pay rates

The Council is satisfied that the multiples shown above are justifiable and equitable. Our pay rates are set by our Job Evaluation scheme, which applies to all the Council's posts.

## 6. CAR ALLOWANCES

6.1 Employees who need to use their cars on a frequent basis for work related travel get a car user allowance of £1,239. For these car users the mileage is paid at of 45p per mile (up to 10,000 miles per year). If passengers are carried and extra 5p can be claimed per mile. The mileage rates are set in line with the HMRC approved mileage rates.

6.2 Senior car allowances are provided to Grades 11 and above as part of the overall reward package to attract and retain staff.

6.3 Senior Car Allowance

Grade 11 -12 £3,000 p.a.

Grade 13 -14 £3,500 p.a.

Grade 15 -16 £4,000 p.a.

Senior Car Allowances are not subject to inflationary increases.

The Senior Car Allowance Mileage Rate is 12.03p per mile and increases in line with any percentage increases in the HMRC Approved Mileage Rate.

## 7. OTHER PAYMENTS

7.1 Section 38 (4) of the Act specifies that in addition to senior salaries, authorities must also make clear what approach they take to the award of other elements of senior remuneration, including bonuses, performance related pay as well as severance payments. The Council does not use either performance related pay or cash bonuses. Any other payments such as payments for taking on additional responsibility, covering absences or vacancies are calculated using the same formulas regardless of grade.

7.2 Any severance payments should be made in accordance with the Council's Early Severance Policy and prevailing legislative requirements.

## 8. LOCAL GOVERNMENT PENSION SCHEME CONTRIBUTIONS (LGPS)

- 8.1 The Local Government Pension Scheme is a valuable part of the pay and reward package for employees working in local government. For North Herts Council, the scheme is administered by Hertfordshire County Council via a contract with the South East fund, the London Pensions Partnership.
- 8.2 The current Employer contribution rate is 19.5% for all grades (based on 2022 triennial valuation). The next triennial valuation will take place in April 2025.
- 8.3 The Employee Contribution bands for are set out in the table below.

<b>Pensionable pay</b>	<b>Contribution rate</b>
Up to £16,500	5.5%
£16,501 to £25,900	5.8%
£25,901 to £42,100	6.5%
£42,101 to £53,300	6.8%
£53,301 to £74,700	8.5%
£74,701 to £105,900	9.9%
£105,901 to £124,800	10.5%
£124,801 to £187,200	11.4%
£187,201 or more	12.5%

- 8.4 The Council allows flexible retirement under its pension discretions. This is where an employee draws their pension and carries on working at a lower grade and/or on reduced hours. It is available to LGPS members who are aged 55 or over, and who, with the Council's consent, permanently significantly reduce their hours and/or reduce their grade. The employee's pension is actuarially reduced if paid before age 65. This policy applies to all grades, but applications would be at the Council's discretion giving due regard to the business implications and succession planning.

## **9. PUBLICATION**

- 9.1 This annual statement applies to the financial year, beginning 1 April 2025 to 31 March 2026. This statement was approved by a meeting of full Council on 27 February 2025. Where required, Council also delegates authority to update the statement during the year.
- 9.2 In addition to this statement, the Council is required to publish the details of Chief Officer pay in the annual Statement of Accounts. The draft and final Accounts are published on the Council's website. The Council also makes further pay related disclosures on the Open Data page of the website.

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**PART 1 – PUBLIC DOCUMENT**

**TITLE OF REPORT: BUDGET 2025/26 (REVENUE BUDGET AND INVESTMENT STRATEGY)**

REPORT OF: THE SERVICE DIRECTOR - RESOURCES

EXECUTIVE MEMBER: EXECUTIVE MEMBER FOR FINANCE AND IT

COUNCIL PRIORITY: SUSTAINABILITY

**1. EXECUTIVE SUMMARY**

1.1. Cabinet recommends a budget for 2025/26 to Council for their consideration and approval. The budget considers the following:

- The funding that the Council should expect to receive in 2025/26 and an estimate of future years funding.
- The forecast net spend required to enable the continued delivery of the Council services in 2025/26 and beyond.
- Choices to support the delivery of a balanced budget in the medium-term.
- Choices on spend that are aligned to the Council Plan.
- Capital budget proposals and the revenue costs of capital of those proposals.
- The risks in relation to the budget (e.g. higher spend or lower income) and providing reasonable financial protection against those risks.
- The implications of all the above on future years and ensuring that actions are in place to deliver a balanced budget in the medium term.
- Strategy for the investment of surplus cash and approach to future borrowing.

**2. RECOMMENDATIONS**

That Council:

- 2.1. Notes the position on the Collection Fund and how it will be funded.
- 2.2. Notes the position relating to the General Fund balance and that due to the risks identified a minimum balance of £2.6 million is recommended.
- 2.3. Notes 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.
- 2.4. Approves the revenue savings and investments as detailed in Appendix B.
- 2.5. Approves the capital programme as detailed in Appendix C.
- 2.6. Approves a net expenditure budget of £22.792m, as detailed in Appendix E.
- 2.7. Approves a Council Tax increase of 2.99%, which is in line with the provisions in the Medium Term Financial Strategy.

- 2.8. Approves the Investment Strategy as detailed in Appendix F.
- 2.9. Approve the adoption of the four clauses in relation to the Code of Practice on Treasury Management (as detailed in paragraphs 8.32 to 8.35).

### **3. REASONS FOR RECOMMENDATIONS**

- 3.1. To ensure that all relevant factors are considered in arriving at a budget (revenue and capital) and Council Tax level for 2025/26. To ensure that the budget is aligned to Council priorities for 2024-28 as set out in the Council Plan.
- 3.2. The Council's Investment Strategy is set to comply with relevant statutory guidance, including the CIPFA Prudential Code. The Strategy also sets out the Council's approach to risks in relation to the investment of surplus cash.

### **4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1. In seeking to address the funding gap detailed in the Council's Medium Term Financial Strategy for 2025-30, Political Groups and Officers have been asked for savings (reductions in costs and additional income) ideas and these are included in appendix B to this report.
- 4.2. The budget is based on the use of reserves to allow time for us to get greater certainty over our medium-term funding and carry out public consultation on our spend priorities. An alternative approach would be to seek to make savings more quickly and retain those reserves from any options for one-off investment in the district. However that strategy would need to be focused on reductions in service levels and/ or further increases to fees and charges.
- 4.3. Investments will generally be a combination of cost pressures to deliver existing services and new spend that is linked to the delivery of priorities identified within the Council Plan. Given the overall budget position, any ongoing investments should only be where there are unavoidable cost pressures (e.g. delivery of statutory services).
- 4.4. Capital spend is a combination of necessary expenditure to maintain and improve Council assets (to allow the continued delivery of services) and choices over investment in our communities and delivery of our priorities. From the decision at the Council meeting on 15<sup>th</sup> January 2025 investment towards decarbonisation is a priority for the Council. However, there is an option to only focus on necessary capital works. This would reduce capital spend and therefore also reduce the revenue impacts of capital spend.
- 4.5. The Council could take a different (but still compliant) approach to the investment of surplus cash. The proposed approach is considered to be a reasonable balance of risk with the generation of investment yield.

### **5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS**

- 5.1. All Councillors were given an opportunity to comment on the revenue efficiency, revenue investment and capital proposals at the budget workshops.
- 5.2. Business Ratepayers will be consulted on the proposals within this report before the budget is discussed at Full Council on 27 February. Any feedback will be made available at the Council meeting. This is the only statutory consultation that is required. This consultation will be via the website/ e-mail, which is the method that has now been established.

- 5.3. If any saving proposal is anticipated to have a particular impact on a specific area (or areas) then it would be referred to the relevant Community Forum(s). The proposal for parking charges will be subject to consultation, including the Community Forums.
- 5.4. The Finance, Audit and Risk Committee review this budget report which allows them to comment on the governance of the budget setting process, the risks within the budget and the robustness of estimates and assumptions. At their meeting in January they recommended that Cabinet (and Council) should be provided with additional information on the revenue investment proposals, detailing whether they related to a statutory service and the implications of not providing the investment funding. This detail is attached at Appendix G.

## **6. FORWARD PLAN**

- 6.1 This report does not contain a recommendation on a key Executive decision. It was referred to in the Forward Plan published on 18 October 2024 as the updated revenue monitoring can identify variances that are reported to Cabinet and are key decisions. However (as detailed in paragraph 8.19) no variances have been identified.

## **7. BACKGROUND**

- 7.1. The Medium Term Financial Strategy (MTFS), which provides the financial background for the Corporate Business Planning Process, was approved by Council in Spetmeber following recommendation by Cabinet (and review by the Finance, Audit and Risk Committee). The budget estimates within the MTFS included a number of assumptions. These have been updated as better information has become available. This final budget still contains some assumptions, hence monitoring reports are provided to Cabinet on a quarterly basis.
- 7.2. Political groups were given the opportunity to comment on the initial budget proposals (put forward by Officers and Executive Members) in early November. The feedback from those discussions was presented to Cabinet in January, which has resulted in the proposals contained within this report.

## **8. RELEVANT CONSIDERATIONS**

### **Decisions made to deliver Council services and priorities**

- 8.1 The Council's Medium Term Financial Strategy (MTFS) did not set a specific target for savings in 2025/26 as part of this budget process. Instead, the aim was for a net-nil impact budget (i.e. any ongoing investments would as a minimum be balanced out by any ongoing savings). However, this has been impacted by the following which relate to resourcing capacity to deliver existing services and commitments:
  - The staffing capacity in Environmental Health needs to be increased to ensure the delivery of statutory services.
  - Planning resource to support Local Plan work (review of the current Plan and delivery of transport projects)
  - The capacity of Leadership Team as identified by the Corporate Peer Challenge.
  - Investment in delivering Climate Change actions, made up of staffing resource (Climate Change and Sustainability Project Manager) and capital investment (decarbonisation phases 1 and 2).
- 8.2 At its meeting in January, Cabinet considered the feedback from the Budget Workshops. This resulted in the following changes being made relation to those proposals:

- Charging for parking on Sundays, evenings and Bank Holidays. This would be subject to consultation but supported the principle. The amount would be left as TBC as need to carry out more work on how and when it would be implemented. Any additional income in 2025/26 would be reflected in the quarterly budget monitoring reports.
- Environmental Health staffing. Given the concerns over the delivery of this statutory service, agreed to go with the higher level of staffing investment (i.e. not the revised prioritisation that was worked on following the budget workshops).
- Civic Secretary to Chair of Council. To be removed due to feedback from current and previous Chair that they would carry out the relevant tasks themselves.
- Central Grants Pot. To be removed as wanted to keep all grant considerations at a local level.
- Service Director capacity. Noted that the underspend on the inflation estimate for the 24/25 pay award could be notionally allocated towards this investment bid.
- Interactive Water Feature at North Herts Leisure Centre: Would be removed as not a key investment for the pool, especially in the context of other significant investment in our Leisure facilities.
- Royston Learner Pool. Whilst it is still a strong aspiration to deliver this project, there is not currently a viable plan for it. There will be a focus on trying to identify alternative funding sources to bridge the viability gap. It is also too late to add the works to the decarbonisation and gym extension project. So any works on a learner pool would have to take place after that project is completed.

8.3 In separate reports to the January Cabinet meeting, the following were agreed:

- Agreement in principle (subject to agreeing detailed terms) to an agency agreement for our Leisure services. This would provide a financial saving but the amount will be kept as TBC (and therefore in budget terms having a zero impact) as the legal details still need to be resolve and it is currently commercially confidential. The actual impact will be picked up through budget monitoring reports during 2025/26.
- A garden waste charge of £55 per year (with concessionary discounts) from April 2025. The impact of this is reflected in the revenue budget proposals in Appendix B.

8.4 The following are also updated in the budget proposals:

- Officers are still trying to reach agreements with businesses on the Solar for Business initiative. The savings of this will therefore be matched to the revenue costs of capital of the Council funded investment. This is estimated at around £21k per year. If there is no or limited take-up, then the capital allocation and assumed savings will be removed, with no net revenue budget impact.
- There are various terms in the new waste and street cleansing contract for inflation and adjustments to actual baseline costs for pay and fuel. These still need to be worked through in advance of the May start date. The current estimate is that the total provision that was allocated in the 2024/25 budget is reasonable. This was made up of ending the transfer to reserves to fund future waste vehicles and a very prudent capital allocation for the new vehicles. The capital allocation in the 2024/25 budget was for £8.5 million (based on contract estimates at the time), and has now reduced to £5.27 million. The reduction in effective Minimum Revenue Provision is estimated at around £300k. This is added to the revenue budget as a pressure, but the overall net impact is zero compared with last year. This is reduced by the cost of customer service staff that have already transferred to the Council (from the current contractor) and are already included in pay forecasts.
- The capital allocation for the phase 2 Decarbonisation project (Hitchin Town Hall and Museum, District Council Offices and North Herts Learner Pool) has been shown as a TBC value previously. The value has now been added in the capital

programme proposals. There may be increased energy costs from the works, but these will be kept under review. The works will not go ahead as scheduled if the grant bid is not successful.

- The budget workshop proposals had a TBC impact from lost leisure income during the decarbonisation works. The work on developing the proposals around the larger sized heat pumps (Council decision on 15<sup>th</sup> January) has meant that it has not been possible to get an estimate of this impact. It is therefore be included as a budget risk.
- The expected cost impact of the increased rate for employer National Insurance contributions. This is for Council employed staff only.
- The expected capital cost of machines outside the Windows environment (to use in case of a cyber attack) has reduced from £25k to £15k.
- As agreed in the July Council report on decarbonisation of our leisure centres, the one-off cost of exiting the CHP (combined heat and power) has already been added in to the revenue forecasts for 25/26.
- As per the decision at the February Cabinet meeting, the separate capital allocation for the Howard Park play equipment in Letchworth (reference NCP4) will be removed, as the cost of replacing that piece of equipment can be covered by the general play area capital allocation (reference ECP4).

### **General Funding**

8.5. The Government provided a policy statement on Local Government funding on 28<sup>th</sup> November 2024. On the same day they also published guaranteed allocations (for 2025/26 only) for Extended Producer Responsibility (EPR) payments. This was followed by the draft Local Government Finance Settlement on 18<sup>th</sup> December 2023. The policy statement provided some earlier warning of the principles that would be applied. The relevant points for future funding are:

- The baseline amount of Business Rates that Councils can retain will continue to be increased in line with Consumer Price Index (i.e. inflationary increase). Councils will continue to be reimbursed for this inflation even when Government make policy decisions to not increase the amounts that are charged to businesses.
- “Negative Revenue Support Grant” (which would reduce the amount of Business Rates that can be retained) will continue to be eliminated.
- District Councils will be able to increase Council Tax by up to 2.99% without the requirement for a local referendum. It is looking like this threshold will now continue at 2.99% so our forecasting assumptions will now reflect this.
- New Homes Bonus will continue in 2025/26 using the same method as applied in 2024/25 (i.e. one year reward only with a 0.4% baseline applied).
- That all Council’s would not see a decrease in their Core Spending Power, but unlike previous years this would be after assumptions around increases in Council Tax rates (i.e. that increases would be at the referendum limit). This guarantee is in cash terms, so there could be a decrease in real terms. Due to the targeting of funding to social care and areas with higher deprivation, our Core Spending Power is the same as 2024/25.
- Our allocation of EPR funding is £1.435 million, and is not ring-fenced.
- The promised National Insurance funding for the increase in the employers rate and cost for directly employed staff will be notified as part of the final settlement.

8.6. The final Local Government settlement was published on 3<sup>rd</sup> February 2024. This was unchanged apart from notifying us of funding for the employer National Insurance increase. This is £157k for 2025/26, and it is assumed that this will be ongoing funding.

- 8.7. The position that has been taken by the Government on Core Spending Power is less generous than had been predicted in our budget assumptions. We had been assuming a small increase in cash terms, although still a reduction in real terms.
- 8.8. The allocation of EPR is guaranteed for 2025/26, and the actual amount received could be higher. There is no certainty over EPR in future years, and it could be incorporated into general funding and therefore be subject to any commitments around Core Spending Power. Government should provide us with new burdens funding for food waste and separate fibre (card and paper) collections. For budgeting purposes, it is assumed that our ERP funding will continue, even if it effectively becomes our allocation for new burdens.

**Table 1 – Estimated General Funding comparison (2025/26)**

<b>£000 Funding</b>	<b>2024/25 Budget</b>	<b>2025/26 MTFS Forecast</b>	<b>2025/26 Latest Forecast</b>	<b>Comments</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
Council Tax	13,147	18,409 (not split out)	13,613	Increase in rate (2.99%) and small increase in base compared to 2024/25
Business Rates, including compensation for under-indexing the multiplier	3,686		3,766	Inflationary increase
Other general grant funding (including New Homes Bonus and Core Spending Power guarantees)	1,490		977	Reduction as off-sets the increases above
National Insurance funding	n/a	n/a	157	Not announced at time of writing this report
Extended Producer Responsibility funding	n/a	n/a	1,435	New funding stream
Less: Council Tax support to Parishes	(39)	(39)	(39)	Maintained at previous levels.
	<b>18,284</b>	<b>18,370</b>	<b>19,909</b>	

**Table 2 – Estimated General Funding forecasts**

<b>£000 Funding</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/40</b>	<b>Comments</b>
Council Tax	14,090	14,584	15,095	15,625	Assumed 2.99% increase in rate. Net 0.5% increase in tax base
Other funding	4,423	3,929	3,418	2,888	Included together as there will be a Business Rate reset which will affect retained Business Rates. Assume that Core Spending guarantee will continue at 0%
EPR/ New burdens funding	1,435	1,435	1,435	1,435	
Less: Council Tax support to Parishes	(39)	(39)	(39)	(39)	Retained at same rate
	<b>19,909</b>	<b>19,909</b>	<b>19,909</b>	<b>19,909</b>	

- 8.9. The numbers in the table above are just estimates, and we will not get any certainty on medium-term funding until later in 2025. The continuation of EPR as a separate funding stream seems unlikely, and waste new burdens funding may be much less than has been assumed. These will be used for modelling future budget positions and therefore savings requirements, as they provide a potentially realistic scenario. However overall, we will need to be ready to adapt to changes in funding levels.

8.10 The Council also receives grants and contributions for specific purposes. Generally, these are built into service budgets and have therefore already been taken in to account when determining spend forecasts, so cannot be used towards funding the base budget. These amounts can be uncertain, and reductions in the amount can result in spending pressures that would need to be met from the General Fund. These have been reviewed and the main risks and opportunities are detailed in table 3 below, noting that this is not an exhaustive list:

**Table 3 – Forecasts in relation to grants and other contributions**

<b>Grant/ Contribution</b>	<b>Amount expected in 2025/26 (£000)</b>	<b>Risk/ Opportunity</b>
Healthy Hub funding	39	Whilst HCC have allocated Healthy Hub funding, they seem to have changed the specification of what they expect to be delivered, with a focus on more specialist Public Health services. Subject to ongoing discussions there may be a need for further funding in 25/26 to continue the valued preventative work. There may be an opportunity for this to come from the UK SPF (below).
UK Shared Prosperity Fund (SPF)	£400k Revenue £99k Capital	The parameters for 2025/26 are that there should be increased local flexibility on how this is spent. There are three priorities (Communities and Place, Supporting Local Business, and People and Skills) with five themes and 12 sub-themes.
Homelessness Prevention and Rough Sleeping Grant	986	Funding has been confirmed from MHCLG of the 2025/26 allocations. This is broadly in line with the amount expected.
Domestic Abuse Safe Accommodation Grant	0	The New Burdens grant funding received in 2023/24 and 2024/25 to ensure that victims of domestic abuse and their children can access the right support in safe accommodation when they need it has been rolled into the Settlement funding calculation for 2025/26 (additional £36k included in 'other general grant funding' in table 1). Budget provision for the expenditure has therefore been added to the list of pressures in appendix B.
Housing Benefit Administration Grant	244	Notification is awaited from government of the grant allocation for 2025/26. Amount expected is based on the grant receipt for the current financial year.

### **Business Rates and Council Tax Collection Funds**

8.11 The Council is required to maintain a Collection Fund to account for the income received and costs of collection for Council Tax and Business Rates. Estimates of the net income are made at the start of the year and based on this money is transferred out of the Collection fund to our General Fund and other precepting bodies. The Fund is required to break even over time and any surplus or deficit is transferred to the our fthGeneral Fund and other precepting bodies. For Business Rates, most of the deficits relate to reliefs introduced by Government. The Council receives funding for these which it holds in a specific reserve. This reserve is then released back to the General Fund as required. The net impact is forecast to be relatively low, and is included in the budget summary in Appendix E.

### **Review of balances and reserves**

8.12 In setting its budget, the Council needs to consider the level of its reserves. This determines the extent to which the current budget can be supported by the use of reserves or requires a budget to be set that includes an allowance for increasing reserves. In addition to the General Fund balance, the Council has specific reserves and provisions. Specific reserves are amounts that are set aside for a determined purpose. This purpose can arise from a choice made by the Council, or where it is felt that there is an obligation. Provisions are where there is a requirement on the Council to meet

future expenditure, and a reasonable estimate can be made of the amount and timing. In determining the risks that may need to be met from the General Fund, it is important to know which risks will already be covered by amounts that are set aside as a specific reserve or provision.

- 8.13 The Government have referred to Councils having high levels of reserves and that these should be used, rather than asking for more funding. The table below (table 4) demonstrate the reasons why reserves are being held, as well as forecasts of future balances. Apart from the Business Rates Grants reserve, all the balances are held for a specific purpose. The table below already notes that the Business Rates Grants reserve will mainly be used to smooth the impact of funding which has not kept pace with the level of inflation.

**Table 4 – Specific Reserves**

Name of Reserve	Purpose of Reserve	Balance at 1 April 2024	Estimated Balance at 31 March 2025	Estimated Balance at 31 March 2026
Childrens Services Reserve	Used to help fund Active Communities projects in the district funded from grant income and/or external contributions. Drawdown of the remaining balance is planned in the current year to support the activities of the Healthy Hub service.	10	0	0
Churchgate Development Reserve	Additional income over and above that necessary to off-set the treasury income that would have been generated from the capital used to purchase the shopping centre freehold (expected at around £175k per year) will be set aside in a reserve to support the planning and delivery of Churchgate regeneration project. The money will provide necessary professional advice via consultants, architects, quantity surveyors etc.	123	27	Unknown
Climate Change Grant Reserve	Grants awarded to help combat the effect of climate change. Being used for the additional costs (above available establishment) of employing a Trainee Policy Officer working on Climate Strategy.	17	18	13
Elections Admin Grant	Holds funding provided from government to support the delivery of the policies of the Elections Act 2022, which focused on the introduction of voter ID and improvements to accessibility for disabled voters. The reserve will be used to fund anticipated additional expenditure associated with the Act in administering future elections	67	67	Unknown
Environmental Health Grants Reserve	Holds funding amounts received for specific initiatives relating to the Council's Environmental Health service, such as air quality and housing checks. The reserve is used to finance the undertaking of the relevant initiatives and to help manage staffing and workload pressures within the service.	118	0	0
Growth Area Fund Reserve	Holds the revenue grant awarded. With the Local Plan now in place, this reserve is anticipated to be drawn down to fund relevant projects and activities.	24	24	Unknown
Homelessness Grants Reserve	To help prevent homelessness in the district. The grant is earmarked for different homelessness projects or resources.	398	230	105
Housing & Planning Delivery	Hold unspent Housing & Planning Delivery grant to fund Cabinet approved spending plans in subsequent years. The Authority has also made a commitment to the Local Development Framework and funds are held in this reserve for this purpose. This has also been previously added to by additional income from 20% increase in statutory planning fees.	691	600	511
Insurance Reserve	Used to finance potential claims for risks that are not covered by external policies together with higher excesses currently being borne by the Authority. It is good financial management practice to have an insurance reserve. The future balances will depend on the claims received and the level of relevant insurance.	34	Unknown	Unknown
Land Charges Reserve	Reserve originally established to help meet the potential cost should the financial risk of the repayment of personal search fees occur. In recent years some of this has been used for additional administration costs and software upgrades.	12	12	Unknown



Name of Reserve	Purpose of Reserve	Balance at 1 April 2024	Estimated Balance at 31 March 2025	Estimated Balance at 31 March 2026
Leased Assets Reserve	The incorporation of the accounting standard IFRS 16: Leases in the accounting code, effective from April 2024, means that the Council's cars provided to staff on operations will be considered for accounting purposes to have transferred to the Council and will be recorded on the Council's balance sheet at the end of 2024/25. The saving on the revenue account from these arrangements will be transferred to this reserve and ultimately used to finance the capital costs of replacement vehicles.	0	92	179
Leisure Management Maintenance Reserve	To help cover the cost of any future significant repair liabilities on the leisure facilities. The Leisure Contract requires a contribution from the Council for maintenance items over £15k, so therefore if funds are not available in the reserve then this would impact on the general fund. Use of the reserve depends on what arises and is therefore unknown. This reserve currently includes amounts that have been set-aside at the end of the SLL contract period. SLL are going through a liquidation process.	308	293	Unknown
MHCLG Grants Reserve	Balance of unapplied Section 31 business rate relief grants and pooling gains. Used to fund NNDR Collection Fund deficit contributions and levy payments in future years. A total of £5.4m will be released into the General Fund to help bridge the forecast funding gaps in the coming years. This is included in Appendix E.	5,735	6,481	Unknown
Museum Exhibits Reserve	Funds the purchase of museum exhibits and is funded from donations. Use of reserve will depend on donations and opportunities for acquisitions.	14	14	Unknown
Neighbourhood Plan Reserve	Funds received from Government to support neighbourhood planning have been transferred to reserve. The funding will be needed in future years as neighbourhood plans are developed and public examinations and public referendums are required.	132	130	110
Paintings Conservation Reserve	Used to help restore paintings. This is funded through donations and publication income. To be used against a list of items that require conservation.	11	11	Unknown
Shared Prosperity Fund Grants Reserve	Holds the balance of unspent grant funding received to date to support the Council's delivery of the three-year Investment Plan approved by Government in the autumn of 2022.	27	0	0
Street Name Plates	To fund Street Name Plates as and when required.	16	16	Unknown
Syrian Refugee Project	The Council has agreed to house Syrian Refugees under the government's resettlement scheme. The scheme is fully funded by the government based on expected costs and by using Registered Provider housing, the costs incurred are less than the grants awarded. The Council will look to use some of this funding to support linked housing pressures (around £100k per year).	737	835	765
Taxi Reserve	Any surplus from the taxi service will be transferred to the earmarked reserve where it can be used to offset any future deficit or to fund investment in the taxi service.	11	11	Unknown
Town Centre Maintenance	For the implementation of the Town Wide Reviews and ad hoc town centre maintenance.	85	93	Unknown
Traffic Regulation Orders	An audit was done to identify TRO work to be carried out in the district. Amounts will be drawn down as and when the work is done.	372	367	362
Waste Reserve	Alternative Financial Model (AFM, funding from HCC to encourage increases in recycling) were previously transferred to help mitigate any potential risk to the waste service and support future service developments. Has been being spent on various projects., including the new waste contract procurement work and any spend related to options around a new waste depot. There will be no further AFM money.	836	836	776
Waste Vehicles Reserve	As repayment of the finance lease principal embedded within the waste contract is funded from the Council's cash reserves, the saving on the revenue account is transferred to this reserve to fund the purchase of vehicles when they next need to be replaced.	2,456	3,178	0

Name of Reserve	Purpose of Reserve	Balance at 1 April 2024	Estimated Balance at 31 March 2025	Estimated Balance at 31 March 2026
Welfare Reform Grants Reserve	Awarded to the Authority for different initiatives or changes relating to Housing & Council Tax benefit scheme, and more recently the Business Support and self-isolation grant schemes developed in response to the Covid-19 pandemic. The balance in reserve will be used to develop the service and drawn down when the initiatives or changes are carried out, and therefore the exact timing of usage is unknown.	455	359	286

8.14 As at the 31 March 2024 there was a total of £2.597m held as long-term provisions. These are comprised of:

- Business Rates appeals - £2.557m - the Council's estimated share of outstanding business rates appeals
- Insurance - £40k - covers the uninsured aspect of outstanding insurance claims.

8.15 We do not want to be in a position where we are holding such a high level of provision in relation to Business Rates appeals, but it reflects the number of outstanding appeals which need to be dealt with by the Valuation Office Agency (VOA). Until those appeals are resolved, the Council cannot use these amounts for another purpose, nor can they go back to businesses.

8.16 North Herts Council operates with a reserve balance for General Fund activities in order to provide a cushion against unexpected increases in costs, reductions in revenues and expenditure requirements. Guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA) suggests that the revenue balances should be set at no less than 5% of net revenue expenditure, having taken account of the risks faced by the Authority in any particular year. As net expenditure is anticipated to be around £23 million, this means a minimum balance of about £1.1million. The Council's budget is also reliant on generating income to set a balanced budget, so an additional 3% of budgeted income (excluding Housing Benefit, grants and other contributions) is included in determining the minimum level. Income from fees, charges, interest and rentals is forecast to be around £13.9m and therefore an additional allowance of around £400k is added.

8.17 An assessment of the risks has been compiled for the coming year based on risks identified by each Service Director and cross-referenced to the risk register. The identified areas are where the financial impact is not wholly known, but an estimate can be made. The amount allocated is based on the forecast likelihood of occurrence. Where there is a high likelihood, 50% of the estimated financial impact is allowed for. For medium likelihood, it is 25%. For low likelihood, it is 0%. Table 5 summarises the risks, the forecast impact and the risk allowance to be made. A full list of these risks is shown in Appendix A.

**Table 5- Budget Risks in 2025/26**

Category	Number of Risks	Forecast Value of Impact (£000)	Risk Allowance (£000)
Low	14	3,759	0
Medium	12	1,128	282
High	11	1,590	795
<b>Total</b>	<b>37</b>	<b>6,477</b>	<b>1,077</b>

8.18 Combining the risk allowance for specific risks and unknown risks means that a General Fund balance of at least £2.6million should be maintained. This is what is recommended by the s151 Officer (Chief Finance Officer).

## **Expenditure Forecasts**

- 8.19 The starting point for forecasting net expenditure for future years is the previous year's budget, as set in February 2024. This is then adjusted (where necessary) through the Quarterly budget monitoring reports, which highlight both in-year and ongoing impacts. An additional budget review is carried out during December for any additional significant ongoing variances. As the Quarter 2 monitoring report were considered by Cabinet in January (and included information known about after the end of Quarter 2), no further ongoing variances have been identified. Some further carry-forwards have been identified but these will be considered as part of the Quarter 3 monitoring report, which is reported to Cabinet in March.
- 8.20 Budget proposals were put forward for discussion at Group workshops in November. Comments on the proposals made by the Groups were outlined in the draft budget report presented at the December meeting of Cabinet. This has been covered in more detail in paragraphs 8.1 and 8.2 above. The complete final list of savings and investments is included at Appendix B.

## **Capital Programme and the revenue effects of capital**

- 8.21 In previous years the capital programme has been considered as a separate report to the revenue budget report. The Council is due to be in a position where it will have a Capital Financing Requirement (CFR). This means that we will incur greater revenue costs in relation to funding our capital programme, through a Minimum Revenue Provision charge. This greater linkage between capital expenditure and revenue costs, means it is sensible to consider the two together.
- 8.22 The proposed capital programme is attached at Appendix C. This mainly reflects the items considered by the budget workshops. It has been updated for the changes referenced in paragraphs 8.2 and 8.4. It also reflects the increased capital allocation for the phase 1 decarbonisation project (leisure centres) following the decision by Council on 15<sup>th</sup> January 2025.
- 8.23 The Council incurs some interest costs in relation to historic borrowing for capital purposes. The small cost of this is reflected in budget estimates.
- 8.24 In general, revenue spend should be matched by funding. Although in the short-term it is possible to fund any budget gaps from reserves. This is the current strategy that the Council is adopting, with the need to develop a plan to achieve an in-year balanced budget in the medium term. This therefore means that the revenue budget is having an effect (i.e. reducing) on the balances available for investment.
- 8.25 Capital spend can be funded from sources which include grants, capital receipts and revenue (although usually this is not affordable). It can also be funded from borrowing. This borrowing can be external (e.g. from government or banks) or internal (i.e. against available cash reserves). In line with the Prudential Code (and as set out in the Investment Strategy), the Council plan to borrow internally against revenue balances first, and only when those balances are insufficient would we borrow externally. Borrowing internally is generally cheaper as the interest cost is the lost interest that would have been earned, rather than the external borrowing cost. Where the Council has a need to borrow (either internally or externally, as measured by its Capital Financing Requirement) then it must make a charge to the revenue budget called Minimum Revenue Provision (MRP).

- 8.26 The MRP aims to spread the cost of capital that is funded from borrowing over the expected life of the asset. This means the taxpayers that are getting the benefit of the asset are paying a contribution towards its cost. MRP is charged from the year after an asset is purchased or completed (where it is constructed).
- 8.27 Table 6 shows the amounts that need to be incorporated into the revenue budget to reflect the impacts of capital spend and income from investments:

**Table 6- Revenue impacts from the Investment Strategy**

£000	2025/26	2026/27	2027/28	2028/29	2029/30
Forecast external borrowing costs (existing borrowing)	34	33	32	31	30
Forecast external borrowing costs (new borrowing)	0	0	0	0	0
Forecast interest income from investments	(825)	(362)	(322)	(259)	(144)
Forecast MRP requirement	402	1,841	1,834	1,635	1,418
<b>Net budget requirement</b>	<b>(389)</b>	<b>1,512</b>	<b>1,544</b>	<b>1,407</b>	<b>1,304</b>
Current allocated budget*	149	732	1,080	1,255	n/a
<b>Change in budget required</b>	<b>(538)</b>	<b>780</b>	<b>464</b>	<b>152</b>	<b>-</b>

Note: this has not been adjusted for the removal of the Howard Park play area (NCP4) as the impact is insignificant (around £5k) and does not affect the 2025/26 budget.

### **Investment Strategy**

- 8.28 The proposed Investment Strategy is attached at Appendix F. Council are asked to approve this strategy, which includes the following:
- A total capital programme for the period of 2025/26 to 2029/30 of £35.6m.
  - The current assets that the Council has, including investment assets.
  - How the capital programme will be funded, including estimates of capital receipts.
  - A Minimum Revenue Provision (MRP) policy.
  - Adoption of a treasury strategy that covers borrowing and investment forecasts and limits, including prudential indicators.

The strategy itself provides further details of what it includes and why. It also explains the key technical terms.

### **Code of Practice on Treasury Management**

- 8.29 The Code of Practice on Treasury Management requires that a report be submitted to Full Council setting out four clauses which should be formally passed in order to approve adoption of the code. The four clauses are detailed below, including how they are met by the Council. As recommended by CIPFA, where appropriate these are included within the Council's Constitution and Financial Regulations.
- 8.30 Clause 1 relates to creating and maintaining a Policy and practices as a cornerstone for effective treasury management.

- 8.31 Full Council are asked to approve the adoption of the following Treasury Management Policy Statement, which is the same as in previous years:
- That we define our treasury management activities as: “The management of the authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.
  - That we define the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation.
  - That we acknowledge that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving best value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.
- 8.32 The Council has adopted treasury management practices (TMPs) which set out how the Council will carry out, manage and control the achievement of the policy above in practice. The majority of the TMPs are unchanged from last year and follow the recommendations contained within the Code, subject only to amendment where necessary to reflect the particular circumstances of the Council. Such amendments are minor and do not result in any material deviation from the Code’s key principles. The TMPs are operationally focused and therefore the themes covered are detailed below, rather than providing the full document. Where relevant the detail is already covered in the Investment Strategy (e.g. approved instruments):
- TMP1- Risk Management
  - TMP2- Performance Measurement
  - TMP3- Decision making and analysis
  - TMP4- Approved instruments, methods and techniques
  - TMP5- Organisation, clarity and segregation of responsibilities, and dealing arrangements
  - TMP6- Reporting requirements and management information arrangements
  - TMP7- Budgeting accounting and audit arrangements
  - TMP8- Cash and cash-flow management
  - TMP9- Money laundering
  - TMP10- Staff training and qualifications
  - TMP11- Use of external service providers
  - TMP12- Corporate Governance
- 8.33 Clause 2 relates to the reporting on treasury activities. These are set out in the Investment Strategy on page 3.
- 8.34 Clause 3 relates to the delegation of responsibility for the implementation and regular monitoring of its treasury management policies. The Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to Cabinet (Constitution 5.7.9) and for the execution and administration of treasury management decisions to the Service Director: Resources (Constitution 14.6.12 (b) (iv) and Financial Regulations section 13) who will act in accordance with the Council’s policy statement and treasury management practices and the CIPFA Standard of Professional Practice on Treasury Management.

- 8.35 Clause 4 relates to the scrutiny of treasury management strategy and policies. The Council nominates the Finance, Audit and Risk Committee to be responsible for ensuring effective scrutiny of the Treasury Management Strategy and policies (Constitution 10.1.5 (c)).

### **Reliability of estimates**

- 8.36 As part of the budget setting process, the Chief Finance Officer is required to comment on budget risks, the reliability of the estimates made and levels of Council reserves. This is known as a section 25 report. Note that this report is required alongside the budget every year, and is very different to a section 114 report. Although failure to take action on any risks highlighted in a section 25 could ultimately end in the need for a section 114 report. Therefore, Council should note the contents of the section 25 report which is attached at Appendix D.

### **Cumulative impact**

- 8.37 The cumulative impact of all the estimates described in the previous sections is provided at Appendix E. This shows a forecast of funding and net expenditure for the next five years, including the impact on the General Fund balance. This can be updated when we are informed of the funding that Government will provide in relation to Employer National Insurance increase.
- 8.38 Appendix E also includes a forecast of the expected minimum level of savings that the Council still needs to deliver over the next 3 years. The level of savings that the Council needs to deliver have been affected by the additional capital investment in decarbonisation and the net revenue investments. It has been partly off-set by changes in funding assumptions. The forecast level of annual savings required is £2.8 million.
- 8.39 The profile of the savings to be delivered is shown across 2026/27 to 2029/30. This reflects the delivery of those savings. The identification of those savings should happen during 2025/26. The earlier that the savings can be delivered, will mean more of the General Fund balance could be used for investments in the District.
- 8.40 This level of savings still required to be identified assumes that the Council will continue to increase Council Tax at the maximum level permitted without the need for a referendum. Any increase in Council Tax below this level would further increase the savings required to balance the budget over the period and require greater drawdown on reserves. The proposal is therefore that Council Tax should be increased by the maximum allowed. It is expected that future Government forecasts of our required funding will assume that we have increased our Council Tax by the maximum amount allowed (without a local referendum).
- 8.41 We should receive more certainty over our funding during 2025, with an expectation that we will have a 3 year budget (up to 2028/29) by January 2026. The plan is to undertake a budget consultation exercise during 2025 to inform savings proposals to be included in the 2026/27 budget. This will enable much greater clarity as to how the Council will achieve a balanced medium-term budget.

## **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.

- 9.2 Cabinet's terms of reference at 5.7.39 include recommending to Council the annual budget, including the capital and revenue budgets and the level of council tax and the council tax base. They also recommend a treasury management strategy statement (Constitution 5.7.40). Council's terms of reference at 4.4.1 (b) and 4.3 state that the Full Council's responsibilities include approving or adopting the budget recommended by the Cabinet. Full Council can also approve the treasury management strategy statement (Constitution 4.4.1 (cc)).
- 9.3 Finance, Audit and Risk Committee's terms of reference at 10.1.5 (d) include assisting the Council and the Cabinet in the development of its Budget and Policy Framework process by in-depth analysis of policy issues pertaining to finance, audit and risk. They will also consider the Council's policy in relation to Treasury Management and make recommendations on the Annual Treasury Management and Investment Strategy, and Treasury Management Code of Practice (Constitution 10.1.5 (c)).
- 9.4 Members are reminded of the duty in accordance with the Local Government Finance Act 1992 to set a balanced budget and to maintain prudent general fund and reserve balances.
- 9.5 Local authorities are required by virtue of the Local Government Finance Act 1992 to calculate as part of their overall budget what amounts are appropriate for contingencies and reserves. The Council must ensure sufficient flexibility to avoid going into deficit at any point during the financial year.
- 9.6 The provisions of section 25 Local Government Act 2003 require that, when the Council is making the calculation of its budget requirement, it must have regard to the report of the Chief Finance Officer (s.151 officer) as to the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves.

## 10 **FINANCIAL IMPLICATIONS**

- 10.1 These are generally covered in the body of the report.
- 10.2 We need to differentiate between revenue and capital spend, as they generally have different sources of funding. Revenue relates to ongoing costs, and any physical item that is purchased would have an expected life of less than one year. Low value items are also treated as revenue spend. Capital relates to the purchase or improvement of assets, which have a useful life of more than one year.

## 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 budget setting process includes a detailed assessment of financial risks, so these are covered in section 8, appendix A and appendix D.
- 11.3 There are significant uncertainties and risks with regard to the funding of the Council over the medium term. This uncertainty is reflected in our over-arching financial risk.

11.4 Capital investment is sometimes needed to mitigate against a risk to the Council. This is detailed to Members when a new investment comes forward. The risk implications of each individual scheme are considered in project plans as the schemes are progressed. The capital programme assumes a level of third party contributions and grants towards the cost of the schemes. There is a risk that not all the contributions are forthcoming.

11.5 Investment risks in relation to treasury management are covered in this report and the Investment Strategy. The TMPs (see 8.32) and Financial Regulations provide controls to manage other 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 For any individual proposal comprising either £50k growth or efficiency, or affecting more than two wards, an equality analysis is required to be carried out; this has either taken place or will take place following agreement of efficiencies or growth.

12.3 The inclusion of banks on our counter-party list will consider the Country that they are in and an objective analysis of the approach to equalities in that Country. This will be in addition to any sovereign (Country) and institution credit rating.

## **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 The decarbonisation of our buildings would have a positive environmental impact. Some of the savings and investments identified in Appendix B are put forward to have a positive influence on the Council’s environmental impact (e.g. ongoing climate change resource, use of HVO fuel). For others there may be a low level of indirect negative implications (e.g. recruiting additional staff could require increased travel), and for these the impacts will be managed as much as possible. Overall the Council still plans to deliver the commitments contained within its Climate Change Strategy. Some of the specific actions contained within the Climate Strategy will be dependent on opportunities and funding being available. They may not therefore be in this budget but could be incorporated in future years.

## **15 HUMAN RESOURCE IMPLICATIONS**

15.1 Some of the investments relate to additional staffing resource. Depending on the level of additional work that these entail, these may have a positive impact on staffing capacity. Additional HR support will be needed to help recruit to these posts, but this can be absorbed within the existing team.

## **16 APPENDICES**

16.1 Appendix A – Financial Risks 2025/26

16.2 Appendix B – Revenue Budget Savings and Investments

16.3 Appendix C – Capital Programme 2025-35



- 16.4 Appendix D - Section 25 report
- 16.5 Appendix E - Budget Summary 2025 – 2030
- 16.6 Appendix F- Investment Strategy
- 16.7 Appendix G- Revenue Investments- details of statutory services and implications of not investing

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**18 BACKGROUND PAPERS**

- 18.1 Medium Term Financial Strategy <https://srvmodgov01.north-herts.gov.uk/documents/s26095/Appendix%20A%20MTFS%202025-30.pdf>

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**APPENDIX A**  
**Financial Risks 2025/26**

Risk	High/ Medium/ Low	Risk Value £	%	Total Risk Assessment £
Fines for breaches of the EU General Data Protection Regulation by the Council or by NHDC outsourced providers when handling and storing data originally collected by NHDC	L	500,000	0%	0
Bad Debt Provision may need to increase in light of the roll-out of Universal Credit and in particular the managed migration of working age housing benefit clients to Universal Credit.	L	70,000	0%	0
Ransomware attack results in the write-off of some IT hardware and infrastructure.	L	200,000	0%	0
Failure to meet projected Careline sales income as a result of the loss of a corporate client or fall in the number of private clients.	M	50,000	25%	12,500
Increased expenditure on new Careline equipment because of a reduction in the level of stock that can be refurbished and used for new client installations. This may be due to, for example, changes in technology making older equipment obsolete.	L	150,000	0%	0
Adverse possession of land/buildings (litigation costs). Protection of "Village Greens". Signs/fences need to be constructed to avoid residents claiming ownership rights.	L	35,000	0%	0
Reduction in income from Churchgate means that funds are not available for the external spend required to progress the regeneration project. Project spend is funded from excess income (above the cost of capital) being achieved since the purchase of the head leasehold interest.	M	100,000	25%	25,000
Lack of resilience in delivering key statutory services when staff absence occurs (other than normal leave) e.g. medium/long term sickness, staff resignations, redeployment to other duties and projects etc, increases expenditure on agency staff and / or consultancy advice or other method to maintain service provision.	H	150,000	50%	75,000
Increase in net cost of measures to address homelessness/rough sleeping and meeting obligations/projects as a result of for example: absence of government funding / reduced government funding, national and local situations etc.	M	150,000	25%	37,500
Enforcement – costs in relation to enforcement for example: investigations to enable consideration of enforcement action, specialist legal or other advice, direct action / appeal processes, recovery of illegal earnings.	M	100,000	25%	25,000
Cost of unexpected Unauthorised Encampments including the cost of bailiffs to remove the encampment and grounds maintenance to repair and clean-up damage/litter etc	H	30,000	50%	15,000

Risk	High/ Medium/ Low	Risk Value £	%	Total Risk Assessment £
Disabled Adaptations: Hertfordshire Home Improvement Agency fail to recover sufficient fees, based upon application throughput, resulting in additional payment requested by HCC to cover costs. Increased level of fee exempt Building Control applications for which the Council must reimburse the fee to Hertfordshire Building Control.	H	15,000	50%	7,500
District by-election	M	8,000	25%	2,000
Legal team resources - requirement due to recruitment/retention issues to use temp. staff or outsource work. Additional external expertise for assistance with the delivery of key Corporate projects or Governance issues	H	150,000	50%	75,000
Legal expertise related to employment cases	M	50,000	25%	12,500
The Council is required to meet the cost of any award from new or ongoing judicial reviews.	M	100,000	25%	25,000
Possible procurement challenge. Legal costs and costs of re-tendering if necessary.	L	100,000	0%	0
Costs incurred from an increased number of prosecutions pursued in court, for example due to persistent flytipping.	M	50,000	25%	12,500
Domestic Homicide Review – requirement for additional resources to respond	H	15,000	50%	7,500
The council is forced to re-tender a major contract if a contractor is unable to deliver a contract for any reason .	L	300,000	0%	0
Loss of revenue due to full or partial closures of the Council's leisure centres while the decarbonisation and gym extension (Royston) works take place.	H	50,000	50%	25,000
Increase in the net cost of recycling services due to either or all of ; adverse changes in the market prices for commodities; a reduction in the volume of recyclates collected; a change in the material composition of the recyclates collected	H	500,000	50%	250,000
Reduction in funding from third party agency agreements for contracted grounds and/or tree maintenance works.	L	50,000	0%	0

Risk	High/ Medium/ Low	Risk Value £	%	Total Risk Assessment £
Costs resulting from a localised flooding event that is associated with water courses within the responsibility of NHDC to maintain.	L	50,000	0%	0
Cost of felling and destroying trees as a result of pests and tree disease.	L	50,000	0%	0
Cost of maintaining service provision in the event of major contract failure.	L	1,000,000	0%	0
Income from Trade Refuse is adversely affected by economic downturn.	M	300,000	25%	75,000
Dangerous structures - where the Council is unable to recover either or both of; the costs incurred in making the structures safe because, for example, the owner of the property is not known or the land/building is unregistered; the costs involved in seeking to recover the expenditure incurred.	L	50,000	0%	0
Specialist advice required with regard to planning applications, both submitted to the local authority and to the planning inspectorate, e.g. town centre schemes, specialist areas such as solar farms, other energy infrastructure and "hostile applications"	M	100,000	25%	25,000
Costs associated with a challenge to a forthcoming decision of the Council or one that has been made and any associated outcome costs, for example: legal challenges, tribunals, contracts, grant schemes, purchase notices, an appeal against a planning decision, judicial review or threat in advance of a planning decision, Secretary of State call in or holding direction etc..	H	500,000	50%	250,000
New duties and obligations associated with government policy, projects etc.. leads to requiring additional training or additional and/or specialist staff or consultancy support etc.. to deliver.	M	50,000	25%	12,500
Theft of, or damage to, parking pay & display equipment	M	20,000	25%	5,000
Assumed vacancy saving within staffing payroll budgets does not materialise as a slim staffing structure, and / or an increase in the level of demand for services, reduces the capacity to hold posts vacant for any significant period of time.	L	350,000	0%	0
Breach of partial-exemption calculation for VAT	L	300,000	0%	0
Increases in construction inflation increase the cost of property repairs and maintenance required.	H	20,000	50%	10,000

Risk	High/ Medium/ Low	Risk Value £	%	Total Risk Assessment £
Localisation of Business Rates – The council is directly exposed to a range of risks including; business rates levy, safety net.	L	225,000	0%	0
Member/Officer Indemnity Agreement is called upon	L	100,000	0%	0
Further payments are required under MMI scheme of arrangement	L	20,000	0%	0
Reduced staffing capacity means that the delivery of Council projects is delayed and / or additional staffing resource must be hired externally at a cost premium to the Council.	H	150,000	50%	75,000
Relates to an environmental warranty that was provided to North Herts Homes on the transfer of the Housing stock.	L	209,000	0%	0
Increase to the annual external audit fee negotiated between the Council's External Auditor and Public Sector Audit Appointments exceeds the amount of additional related grant funding received from government.	M	50,000	25%	12,500
Cost of annual Housing Benefit Subsidy Certification is higher than budgeted due to additional audit fieldwork required.	H	10,000	50%	5,000

6,477,000

1,077,000

## REVENUE BUDGET SAVINGS AND INVESTMENTS

### New Revenue Efficiency Proposals and Savings Identified

Reference	Service Directorate	Description of Proposal	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000
E1	Customers	Careline service income. Due to variations in health services and political boundaries, Careline's alarm monitoring and reassurance services outside of Hertfordshire are experiencing steady growth. Currently, referrals are bringing in approximately three new clients per week. A business case is in development, and should Careline choose to actively promote and expand this service, both the client base and potential income could see substantial growth. However, this would also entail a proportionate increase in associated costs.	(35)	(35)	(35)	(35)	(35)
E2	Enterprise	Rental income associated with the letting of the former meltax office and WC's in Royston. Achievement of the efficiency is subject to the approval of the corresponding capital investment proposal. Efficiency value allows for initial rent free period and stepped rent, with the ongoing annual rent of £5,000 pa subject to upward only rent reviews.	-	-	-	(3)	(5)
E3	Enterprise	Premises cost savings from the early surrender of the lease for Brotherhood Hall, Letchworth. This property is leased from Letchworth Garden City Heritage Foundation under a 99 year full repairing lease which ends June 2027. A decision has been taken, in principal, not to renew the lease and potentially to agree an early surrender with LGCHF, subject to terms and dilapidations, and LGCHF securing a suitable tenant. Value for 25/26 includes estimated cost of a financial settlement with landlord for dilapidations, a schedule of which the landlord's surveyor is currently preparing.	25	(11)	(11)	(11)	(11)
E4	Housing & Environmental Health	Environmental Health Commercial Team income. Estimated additional income from an increase in Environmental Health Commercial Team fees to bring them into line with fees charged by neighbouring authorities.	(6)	(6)	(6)	(6)	(6)
E5	Place	Recycling credit income from Herts County Council. Increase in eligible credit income is anticipated following the waste and recycling service changes from August 2025. Additional income value based on the collection of an additional 300 tonnes of soft plastic and 200 tonnes of additional recycling.	(48)	(48)	(48)	(48)	(48)
E6	Regulatory	Car Parking income. Review the opportunities with regard to parking charges, for example evening / weekend / Sunday / Bank Holiday charging, on-street charging and issuing special permits. To ensure that all users pay towards the cost of provision and to manage demand.	TBC	TBC	TBC	TBC	TBC
E7	Place	Garden waste income. Increase in charges to reflect charges by other Local Councils and increase in costs under the new contract.	(150)	(150)	(150)	(150)	(150)
E8	Place	Solar for Business. The income generated will at least off-set the cost of capital but may be higher depending what is negotiated with the businesses.	-	(21)	(21)	(21)	(21)
E9	Place	Proposal that our leisure provider moves to acting as our agent in running our leisure centres. This is expected to allow more VAT on expenditure to be recovered, which lowers the overall running costs. The benefit of this would be shared.	TBC	TBC	TBC	TBC	TBC
E10	Managing Director	Update to estimated interest income returns from treasury investments, based on Investment Strategy (Integrated Capital and Treasury) 2025-2035.	(219)	102	(57)	(72)	43
<b>Total Net Budget Reduction from new efficiency proposals</b>			<b>(433)</b>	<b>(169)</b>	<b>(328)</b>	<b>(346)</b>	<b>(233)</b>

### New Revenue Pressures and Investment Proposals

Ref No	Service Directorate	Description of Proposal	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000
R1	Customers	Careline Service staffing costs. Increase in management and administrative capacity through the replacement of provision for two admin officer roles with provision for two senior administrator posts. The investment will both enhance business resilience and facilitate the expansion of the service as it takes on new clients from outside of Hertfordshire, with the associated additional administration involved.	16	16	16	16	16
R2	Customers	Maintenance and support costs associated with the capital proposal to purchase 25 laptops that are outside of the Windows environment for disaster recovery (DR) purposes. This may be replaced by an option to lease the equipment if a DR event that affects IT access takes place.	11	11	11	11	11
R3	Enterprise	Economic Development Officer. Budget is requested for the shared post with East Herts District Council to continue in 2025/26 to deliver work associated with the new Commercial Strategy, which aims to support economic growth and engagement across the District, and the oversight of the Shared Prosperity Funding stream.	27	-	-	-	-
R4	Housing & Environmental Health	Reinstatement of the part time posts of Empty Homes Officer (0.5 FTE) and Housing Grants Officer (0.5FTE) and Air Quality Officer position (0.5 FTE) to the Council's permanent staffing establishment. These posts were deleted as part of a restructure in 2023/24 to release resource to meet other urgent staffing priorities. The requested reinstatement of these roles will enable the delivery of essential work to address empty homes in the district and to develop and support an air quality strategy in line with our climate emergency and the upcoming challenges to be faced regarding the proposed Luton Airport expansion.	77	77	77	77	77

Reference	Service Directorate	Description of Proposal	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000
R5	Housing & Environmental Health	Creation of a part-time (0.5 FTE) Private Water Supply Officer (PWSO) post for the Environmental Health Commercial Team. The PWSO would support the existing Private Water Supply Scientific Officer in delivering the increased workload caused by the imposed changes to statutory guidance and water quality requirements and would also increase service resilience in this area.	26	26	26	26	26
R6	Housing & Environmental Health	Recruitment of an additional fully qualified Environmental Health Regulatory Officer into the Environmental Protection & Housing Team on a 4 year fixed-term contract to provide senior experience and higher competency whilst the technical officers progress through their training. The post will also provide cover/resilience for the other Senior Officer in this service in the event of unplanned additional work, as has been the case with the Baldock Industrial Estate fire, funeral homes inspections, and health and safety accidents/incidents.	64	64	64	64	-
R7	Housing & Environmental Health	Recruitment of an additional Senior Environmental Health / Food Officer in the Commercial Team, on a 4 year fixed-term contract, to accommodate the increased pro and reactive workload, including the additional food inspections required, and the additional Health & Safety interventions necessary for the service to achieve and maintain this legally required competency.	64	64	64	64	-
R8	Housing & Environmental Health	Permanent budget provision for an additional Environmental Health Regulatory Officer in the Commercial Team, initially at a junior level to support the senior officers in undertaking essential roles, including the food sampling programme and the assessment of those food businesses classed as lower concern. The officer would also provide advice to new businesses following the increase in new food registrations seen over recent years.	51	51	51	58	64
R9	Housing & Environmental Health	Year 4 funding for the Environmental Health Apprentice, which is a fixed term four-year post. Unspent salary budget (due to grant funding received) of £100k was identified at the end of 2023/24 and earmarked to cover the costs of the first three years of the apprenticeship. This request is for year 4 funding for the apprentice to complete the four year course.	-	-	-	35	-
R10	Housing & Environmental Health	Environmental Health service staffing costs. In light of recruitment issues in this service area and to facilitate the strategy agreed earlier this year, it is proposed to standardise the six existing technical officer posts to a career graded Environmental Health Regulatory Officer job profile. The plan is to recruit unqualified individuals and develop them into fully qualified officers over time. The additional investment reflects the higher than existing pay grades officers can progress through to as they complete their training and gain professional accreditation. While the maximum additional annual cost from this proposal is estimated at £86k, investment values reflect the anticipated additional cost over the next five years based on the current staffing position.	-	7	17	23	56
R11	Housing & Environmental Health	Environmental Health service training costs. To support the development of the proposed Environmental Health Regulatory Officers, the provision of additional dedicated training and development budget. The budget will cover annual training costs of approximately £3,000 per officer.	18	18	18	18	18
R12	Housing & Environmental Health	Housing Service staffing expenditure. Replacement of the existing fixed term contract for the Housing Register and Accommodation Officer (Refugee Support) with a permanent contract of employment, with the post added to the permanent staffing establishment. The balance held in the refugee project earmarked reserve can support this post for at least the next seven years, at which point the housing team structure will be reviewed. In the meantime this proposal will offer more security to both the employee and the housing team.	-	-	-	-	-
R13	Housing & Environmental Health	Community safety expenditure. Introduction of a crime prevention budget to contribute to, and attract, matched funding from community safety partnership partners such as the police, housing providers and the county council. It is anticipated that the resource will allow small scale, upstream interventions to prevent antisocial behaviour and crime from escalating.	10	10	10	10	10
R14	Legal & Community	Democratic Services staffing expenditure. Creation of permanent part-time (19 hours pw) post of Civic Secretary to Chair of the Council to provide a dedicated support to the Chair of Council (and Vice Chair when deputising) to enable the Chair to be more proactive. The role would be comparable to how some other neighbouring authorities provide this service. Central Bedfordshire Council has a part-time Chair's PA and Business Support Officer; Welwyn Hatfield has a PA and Mayor Support Officer; Stevenage Borough Council have 1.5 staff providing support to the Mayor and Councillors; Broxbourne has an Elections Officer/Mayor's Secretary; Hertsmere provides support as part of another post. St Albans has a Civic Officer, County Council has a full time officer providing support for the Lieutenancy and Councillors. <b>Proposed ongoing budget of £20k recommended to be removed by Cabinet at January 2025 meeting.</b>	-	-	-	-	-
R15	Legal & Community	Healthy Hub project expenditure. Budget is requested to cover the shortfall on the salary cost of the Health & Wellbeing Hub Coordinator in 2025/26 and 2026/27 and to ensure effective community wellbeing interventions continue to be delivered across the district tackling food poverty, poor emotional wellbeing, low levels of physical activity, social isolation and loneliness. Herts County Council have part funded the North Herts Healthy Hub since 2019. The current MOU ends in March 2025 and HCC have announced £35k of funding for 25/26 and 26/27. <b>Forecast shortfall in 25/26 proposed to be funded from the carry forward of unspent staffing cost budget in 2024/25</b>	-	12	-	-	-
R16	Legal & Community	Introduction of a district wide grant budget. This budget would cover those grant applications that cut across all community forums and not solely focus on one geographic area. The centralised funding pot will reduce the resource implications for the applying organisations and for officers reviewing and approving for member consideration. This could allow for greater impact of and effectiveness of community forum grants to voluntary organisations to support the needs of NH residents. This could be considered as a pilot for 2025/26 with regular reviews to assess the effectiveness of this proposal. <b>Proposed £10k budget in 2025/26 recommended to be removed by Cabinet at January 2025 meeting.</b>	-	-	-	-	-



Reference	Service Directorate	Description of Proposal	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000
R17	Legal & Community	Introduction of a permanent career graded Policy and Strategy Officer post to replace the existing fixed term trainee role, which has to date been part funded from contributions from the Climate Change earmarked reserve. Grade progression would be dependent on completion of relevant training at first diploma and then degree level. The proposal will increase the scope, range, and ability of the Policy & Strategy team to support NHC officers, North Hertfordshire residents and district wide partnerships. The Team is becoming involved in more partnership work across the district (e.g., Herts Climate Change and Sustainability Partnership and associated subgroups, Equality and Diversity Networks) and corporate governance matters (the production of the Annual Governance Statement, associated Local Code of Governance and cumulative equality and environmental impact assessments). The permanence of this role will ensure that these obligations can be discharged to a consistent standard. Investment value reflects the maximum additional cost of this proposal and includes the removal of the budgeted contribution from reserve when the reserve balance reduces to zero.	7	11	16	16	16
R18	Managing Director	Leadership team restructure. Make permanent the seventh Service Director post, with realignment of responsibilities across the seven roles. This would be subject to consultation with affected staff and separate Full Council approval of the revised structure. This can in effect be part funded by the salary inflation provision for 2024/25 that wasn't all required.	112	112	112	112	112
R19	Place	Permanent budget provision for the Climate Change and Sustainability Manager role, which is currently funded on a fixed term basis until September 2026. The post will be necessary to help the Council make progress on its sustainability priority and net zero targets in future years.	-	31	62	62	62
R20	Place	Swimming pool tiling repairs at North Herts Leisure Centre. Annual underwater pool surveys are carried out to identify repair works and ensure they meet current Health & Safety legislation. Recent surveys carried out by Everyone Active have identified extensive grout works within the pool tanks required to ensure they remain in good condition. Investment value reflects current estimated cost of repairs required.	17	-	-	-	-
R21	Place	Swimming pool tiling repairs at Hitchin Swim Centre. Annual underwater pool surveys are carried out to identify repair works and ensure they meet current Health & Safety legislation. Recent surveys carried out by Everyone Active have identified extensive grout works within the pool tanks required to ensure they remain in good condition. Investment value reflects current estimated cost of repairs required.	69	-	-	-	-
R22	Place	Swimming pool tiling repairs at Royston Leisure Centre. Annual underwater pool surveys are carried out to identify repair works and ensure they meet current Health & Safety legislation. Recent surveys carried out by Everyone Active have identified extensive grout works within the pool tanks required to ensure they remain in good condition. Investment value reflects current estimated cost of repairs required.	34	-	-	-	-
R23	Place	Repairs and maintenance at Ransoms Rec, Hitchin. Following receipt of a number of complaints about the lighting and condition of this busy footway, repairs to the lighting and footpaths are required to ensure continued public safety.	25	-	-	-	-
R24	Place	Repair and maintenance of Letchworth War Memorial. Current condition of the existing memorial is tired and in need of refurbishment.	15	-	-	-	-
R25	Place	Repair of the balancing pond at Purwell Meadows, Hitchin. The balancing pond on the local nature reserve is now silted up and does not function as it should.	20	-	-	-	-
R26	Place	Waste contract client team staffing expenditure. Net cost of recruitment of two temporary full-time Mobilisation Contract Officers (one of which will be funded by East Herts DC) to support the mobilisation of the new waste and recycling services for up to 6 months, as originally proposed in the report to Cabinet in October 2022.	16	-	-	-	-
R27	Place	Addition of a new part-time (0.5 FTE) Commercial Waste Officer post to the Council's permanent staffing establishment. As originally proposed in the report to Cabinet in October 2022, the new role would support the implementation of Commercial Food Waste Collections, commercial clinical waste collections and evolve and develop the Commercial Waste and Recycling business. Half of the cost of the post will be funded by East Herts, with the aim for this post to be self-funding within 3 years.	9	7	5	-	-
R28	Place	Net cost (after East Herts 50% contribution) of recruitment to a six month temporary full time post that will be responsible for fixing issues which arise with containers, as detailed in the report to Cabinet in December 2023. This staff member would be issued with a van and would assist with container swaps, delivery of ad hoc missing containers, stickering containers and resident run throughs to help residents adjusting to the change. Investment estimate includes box van vehicle hire costs for 4 months.	13	-	-	-	-
R29	Place	Provision of Hydrogenated Vegetable Oil (HVO) fuel for the waste, recycling and street cleansing service vehicles. Based on the annual requirement for 280,000 litres, the additional cost is anticipated to be 12% higher than diesel and this cost is outside the provision of the waste contract. The use of HVO reduces CO2 emissions by approximately 90% in comparison to diesel, thus significantly reducing the carbon impact of the service. Investment value is based on the provision of 100% HVO, but HVO can be blended in proportions of 10% increments with diesel and this provides directly proportionate cost impacts and carbon savings (e.g. opting for 50% HVO would halve both the investment value and the carbon emission saving).	40	40	40	40	40
R30	Place	Commissioning of a waste compositional analysis (WCA). The last was completed in 2021 and is periodically completed to inform the Council of the effectiveness of recycling services. WCA will be a requirement of the data provision from Extended Producer Responsibility Funding (EPR) and undertaking a composition in late 25/26 will allow us to assess the effectiveness of the new services in comparison to the previous composition in 2021. The Hertfordshire Waste Partnership will collectively procure on behalf of the districts and boroughs to provide a wider Hertfordshire analysis for comparison.	20	-	-	-	-

Reference	Service Directorate	Description of Proposal	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000
R31	Place	Provision of a comprehensive communications plan to support the roll out of waste and recycling service changes, as detailed in the previous Cabinet report of 9 July 2024. Costs are estimates and will vary depending on the number of collection day changes and the confirmation of costs following procurement.	100	-	-	-	-
R32	Place	Provision of a mobile application for residents to support the waste and recycling service provision. The app would provide service and collection updates via push notifications to those residents subscribed to the app, as well as look up functionality regarding collection days and options for recycling. The additional 'reporting' functionality via the app would also support the CRM. The app would have capabilities to be expanded to a wider range of council services including planning.	25	20	20	20	20
R33	Place	Storage of wheeled bins during mobilisation of new waste and recycling services. This will be required for a period of around 3 months. Site security and or rental may be required during this period once a site has been identified.	5	-	-	-	-
R34	Regulatory	Permanent budget provision for the Principal Planning Officer and career graded planning officer posts. Fixed term budget provision of five years for these posts was previously approved by Council to lead and support work on the Local Plan review. Cabinet resolved in January 2024 that the review of the Local Plan should be undertaken and initial work is ongoing. A further report to Cabinet in January 2025 will set out a proposed timetable for the key stages. Following the change of Government there is uncertainty over the regulatory framework and timeframe over which the Review will be undertaken. It is already anticipated that it will extend beyond the period for which these posts are funded, with funding for the Principle Planning officer ending in June 2027 and the funding for the Planning Officer post ending in July 2028. These posts are also involved in delivering a range of other planning activities which will continue regardless of, and beyond, the Review programme including Neighbourhood Planning, monitoring, supporting strategies, the Chilterns National Landscape Review and joint strategic planning work with neighbouring authorities.	-	-	53	112	133
R35	Regulatory	Planning service staffing expenditure. Increase in management and oversight capacity through the uplifting of one existing post into a team leader role. There are currently 46 planning posts arranged under three service managers and five team leader / principal roles. Some team leaders are now responsible for a large number of staff working across a wide range of disciplines, complex professional projects and / or substantial case loads.	9	9	9	9	9
R36	Regulatory	Recruitment of an additional Transport Officer for a fixed term of five years to; assist the Senior Transport Officer with the delivery of various transport projects emerging from the adopted Local Plan, the Growth Transport Plan and the Local Cycling and Walking Infrastructure Plan; to assist with the review of transport policies relating to the Local Plan review; to allow the Senior Transport officer to lead and input on transport initiatives associated with masterplanning for strategic site allocations in the Local Plan and to focus on key strategic transport projects working together with Herts County Council.	56	56	56	56	56
R37	Regulatory	Planning Control IT expenditure. The procurement of Agile AI, an Artificial Intelligence Planning Validator System which operates as an interface between the national Planning Portal and Council IT systems to reduce the manual workload with the checking and validation of planning applications. It reduces validation timescales by up to 65% leaving officer time to concentrate on other matters and improve planning performance. County-wide procurement currently being investigated under the guidance of HIPP and the Growth Board. Costs may be recoverable through planning fees if there was the ability to set fees at a break-even level.	25	5	5	5	5
R38	Regulatory	Planning Control IT expenditure. The installation of Idox Insights, a Uniform add-on that allows real-time access to information that would enable the Development & Conservation Manager to view performance to ensure alignment with performance targets for applications and appeals and gain access to data to enable more reliable and insightful decision-making. It will enable Team Leaders to review in real time the caseload and capacity of officers, easily identify bottlenecks that require attention and thereby improve performance. It allows case officers to prioritise effectively and handle workload efficiently through reducing the burden of administration. Costs may be recoverable through planning fees if there was the ability to set fees at a break-even level.	20	5	5	5	5
R39	Regulatory	Additional budget provision for specialist planning advice. The planning service requires specialist, qualified technical advice on key disciplines to inform decisions, the assessment of heritage impacts of development relating to matters such as archaeology, scheduled monuments and other heritage assets as well as reviews of conservation areas. The advice might take the form of an additional establishment post and most of the funding would come from the overspend that has already been reported from increase in fees from HCC to undertake some of this work.	6	6	6	6	6
R40	Customers	Two factor authentication to allow access to Staff and Councillors to access our IT environment. Previously a capital cost but has been moved to revenue as amount is now much lower.	-	3	-	3	-
R41	Place	Mobilisation of the new waste contract. All tenders were asked to provide separate costs for the mobilisation of the contract and implementation of service changes. These were evaluated as part of the contract award. These costs will be met from the waste reserve, so no General Fund impact. The remainder of the reserve will be a contribution towards the vehicle costs.	-	-	-	-	-
R42	Place	The leisure centre decarbonisation project will require some closures during the works, which will mean a reduction in the management fee that we receive. TO NOW BE COVERED VIA A BUDGET RISK.	-	-	-	-	-
R43	Housing & Environmental Health	Local Authority Domestic Abuse Duty. The Domestic Abuse Act 2021 placed new duties on local authorities across England to ensure that victims of domestic abuse and their children can access the right support in safe accommodation when they need it. The New Burdens grant funding received in 2023/24 and 2024/25 has now been rolled into the Settlement funding for 2025/26. The financing of this expenditure in 2025/26 is therefore included as an additional amount to the Council funding total.	36	36	36	36	36

Reference	Service Directorate	Description of Proposal	2025/26	2026/27	2027/28	2028/29	2029/30
			£'000	£'000	£'000	£'000	£'000
R44	All	Changes to the Class 1 National Insurance Contributions Secondary Threshold and the Secondary Class 1 National Insurance contributions rate from 6 April 2025. The Secondary Threshold is currently set at £9,100 a year, and will be reduced to £5,000 a year with effect from 6 April 2025 until 5 April 2028. Thereafter the Secondary Threshold will be increased in line with Consumer Prices Index (CPI). In addition, the employer contribution rate for remuneration above the secondary threshold will increase from 13.8% to 15%. Pressure value represents estimated impact for Council payrolled staff only. The government confirmed £515 million in support for local authorities in England to mitigate the additional impact of the increase in employer National Insurance Contributions (NICs) on their budgets, with final allocations to local authorities to be published with the final local government finance settlement in early 2025.	370	370	370	370	370
R45	Place	New waste and street cleansing contract expenditure. In last years budget there was a capital allocation for new vehicles. This has since been reduced. This pressure reflects the equivalent of the MRP reduction. This is reduced by the staffing cost for Customer Service staff that have TUPE transferred across to the Council (from the current contractor) that has already been incorporated in to staffing budgets. Overall this has zero net impact compared with last year.	220	220	220	220	220
R46	Managing Director	Revenue cost of internal borrowing required to finance the proposed capital programme 2024-2034. Amounts are additional to those estimated to finance the proposed capital programme 2024-2034. Value only reflects estimated Minimum Revenue Provision, as additional impact of lost interest income is included in the interest income projection.	(319)	678	521	224	7
<b>Total Net Budget Increase from new pressures and investment proposals</b>			<b>1,314</b>	<b>1,965</b>	<b>1,890</b>	<b>1,698</b>	<b>1,375</b>

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APPENDIX C: CAPITAL PROGRAMME FOR 25/26 ONWARDS

Project Ref	Responsible Service Director	Description of Proposal	Total Project Investment 2025/26 onwards	Total Anticipated Funding from Grants or Other Contributions	Proposed Investment in 2025/26	Proposed Investment in 2026/27	Proposed Investment in 2027/28	Proposed Investment in 2028/29	Proposed Investment in 2029/30	Proposed Investment 2030 - 2035	Anticipated Impact of Proposal
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
ECP10	Service Director - Customers	Backup and Business Continuity Hardware	105	0	57	0	0	16	0	32	Hardware relating to Back Up and Disaster Recovery / Business Continuity. Items previously listed separately including: DR Hardware Refresh inc UPS Battery Pack for Unit 3 (DR site) - this includes, servers, switches and UPS at Unit 3 Back Up Diesel Generator at the DCO <b>(to continue with diesel option due to cost of alternative and how infrequently it is used)</b> . 3 x 40 UPS Device or Battery replacement - lifespan of these items is 3 years therefore ongoing replacement is required to ensure the UPS continues to work effectively.
ECP11	Service Director - Customers	Infrastructure Hardware	226	0	0	18	18	190	0	0	Physical hardware supporting the corporate IT infrastructure which require updating at regular intervals. Includes Items previously listed separately: Dell servers - upgrade and maintenance of servers at regular intervals New Blade Enclosures - an integral part of the servers, require updating at the same time as the servers Core Backbone Switch - links the virtual servers to the Storage Area Network Data Switch Upgrade - The main data switch within the IT Server estate is a critical piece of hardware that connects the data packets moving between the Network Servers, Data Storage and the fibre infrastructure. It is critical to ensure that these are updated regularly Cabinet Switches to ensure that traffic is routed immediately from the servers to the desktops / laptops. <b>There will be costs for the period 2030-35, but all costs to be reviewed in 2027/28 as may be able to reduce spend if more software has moved to cloud based servers.</b>
ECP12	Service Director - Customers	Laptops - Refresh Programme	1,056	0	319	79	35	40	349	234	All staff now have laptops instead of desktops. Laptops need refreshing current budget profile allows for 4 yearly bulk refreshes, warranties are for 3 years. Interim budgets allow for replacements as required. Members also have laptops to support them in their role. <b>Previously treated as two separate refresh programmes, but the budget has now been combined.</b>
ECP14	Service Director - Customers	Microsoft Enterprise Software Assurance	2,920	0	679	0	0	747	0	1,494	MS E5 licences required for all staff to work. Amount is linked to existing staffing levels. An allocation of £747k is earmarked in 2031/32 for the renewal of the three-year licenses.
ECP15	Service Director - Customers	PC Refresh Programme	41	0	7	8	5	8	5	8	Periodic refresh of desk-based PCs that are required in the Council and cannot be replaced with laptops (i.e. self-serve pcs in reception).
ECP16	Service Director - Customers	Security - Firewalls	90	0	0	18	0	18	0	54	Firewalls help protect against cyber threats and it is important these stay up to date and current. Firewalls need updating every 2 years to keep ahead of threats.
ECP17	Service Director - Customers	Tablets - Android Devices	40	0	10	10	4	4	4	8	Periodic replacement of tablet devices
ECP18	Service Director - Customers	WiFi Upgrade	40	0	40	0	0	0	0	0	Wi-Fi upgrade within District Council Offices, Hitchin Town Hall/ North Hertfordshire Museum and Buntingford Depot.

Page 197

Project Ref	Responsible Service Director	Description of Proposal	Total Project Investment 2025/26 onwards	Total Anticipated Funding from Grants or Other Contributions	Proposed Investment in 2025/26	Proposed Investment in 2026/27	Proposed Investment in 2027/28	Proposed Investment in 2028/29	Proposed Investment in 2029/30	Proposed Investment 2030 - 2035	Anticipated Impact of Proposal
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
NCP2	Service Director - Customers	An alternative set of 25 machines that are outside of the Windows Environment for Disaster Recovery	100	0	15	0	0	15	0	30	To aid recovery in the event of a successful cyber attack. To also look at options to lease equipment in the event that it is required.
			4,618	0	1,127	133	62	1,038	358	1,860	
ECP29	Service Director - Enterprise	Museum and Commercial Storage Facility at Burymead Hitchin	2000	0	2000	0	0	0	0	0	The Museum Store in Burymead is no longer fit for purpose. Objects from the collection are being held in make shift storage units, garages and dilapidated structures. The original intention was that this would be a complete new build, and is still one of the options being considered. As the indicative costs that we received were much higher than we expected, we are now looking at alternative options. These options include refurbishment, smaller additions and new storage locations. A business case will be completed over the summer which will determine the approach to take. This may impact the final capital required. There is a £2million capital allocation in 2024/25, therefore the total estimated resource required is £4million.
Page 198 ECP30	Service Director - Enterprise	Hitchin Town Hall Kitchen Enhancement	25	0	0	25	0	0	0	0	Further enhancements to the HTH kitchen area to improve catering quality. This will namely involve laying new more hygienic flooring and the purchase and installation of a heated pass for events and functions, which will require bringing power through the floor to the centre of the kitchen area. <b>May be brought forward to 2025/26 during the budget setting process, depending on capacity to carry out the work sooner.</b>
NCP6	Service Director - Enterprise	Air conditioning at Hitchin Town Hall	100	0	100	0	0	0	0	0	To make the facility better for events. To consider the revenue implications (additional energy costs and any additional income that could be generated)
NCP7	Service Director - Enterprise	Mel Tax Offices, Royston	25	0	25	0	0	0	0	0	This property has been vacant for a number of years. It has not been formally marketed to date but there have been enquiries from prospective tenants. It has potential to be used for an alternative use, similar to the successful conversion of similar properties (e.g. Kneesworth Street to a coffee shop- The Nest). To seek a pre-let based on the Council undertaking some main roof and structural works and the tenant fitting out, subject to suitable terms.
			2150	0	2125	25	0	0	0	0	
ECP2	Service Director - Housing and Env Health	S106 Projects - Funding for additional Social Housing	193	193	193	0	0	0	0	0	Payments are made in two tranches, 50% at start on site (made in 2023/24) and 50% at practical completion. The remaining £193K will be paid in December 2025/ January 2026. Total investment of £385k.

Project Ref	Responsible Service Director	Description of Proposal	Total Project Investment 2025/26 onwards	Total Anticipated Funding from Grants or Other Contributions	Proposed Investment in 2025/26	Proposed Investment in 2026/27	Proposed Investment in 2027/28	Proposed Investment in 2028/29	Proposed Investment in 2029/30	Proposed Investment 2030 - 2035	Anticipated Impact of Proposal
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
ECP3	Service Director - Housing and Env Health	Private Sector Grants	600	0	60	60	60	60	60	300	HRAGs are a discretionary form of assistance specifically designed to provide practical help through a grant for small-scale works. This grant provides cash limited assistance up to £5K within any three-year period, for minor works for owner / occupiers and private tenants who meet certain criteria. HRAG funding is also used to support the Warm Homes Fund project where homes without central heating are provided with central heating ( <b>either gas or zero carbon alternatives</b> ). HRAGs are means tested and help to eradicate CAT1 Hazards, such as excess cold.
			793	193	253	60	60	60	60	300	
ECP4	Service Director - Place	Playground Renovation District Wide	1,800	0	180	180	180	180	180	900	Moving forward from the previous policy to renovate a single play area annually to undertake a program of undertaking two locations each year. This ensures that each play area is renovated on an 18 year cycle, which still far exceeds manufacturer lifespan guidelines.  <b>To be looked at as part of the next Green Space Management Strategy review (in 2027). To develop a list of playgrounds with likely timings of need for renovations.</b>
ECP6	Service Director - Place	Walsworth Common Pavilion - contribution to scheme	300	287	0	300	0	0	0	0	<b>This is dependent on s106 funding. Moved back to 2026/27 to reflect more realistic timing. The cost is likely to increase based on latest estimate to around £500k, but left at current amount as will require a corresponding increase in 3rd party funding.</b>
ECP7	Service Director - Place	Wilbury Hills Cemetery Footpaths	30	0	0	30	0	0	0	0	Due to high volumes of visitors the existing footpath network through the site are wearing out. This program will support an investment program over a period of time to maintain current standards.
ECP8	Service Director - Place	Howard Park Letchworth Path Resurfacing	20	0	0	10	10	0	0	0	Phased approach to resurfacing the pathways at Howard Park.
NCP3	Service Director - Place	Priory Gardens bandstand	50	0	50	0	0	0	0	0	Replace or capital renovations to the existing bandstand due to poor condition of existing feature. Will also seek S106 contributions.
NCP4	Service Director - Place	Howard Gardens Play Area	75	0	0	0	0	0	0	0	Central piece of play equipment has failed due to major wooden supports rotting at ground level - this is to replace the existing item with a new item. Depending on other renovations required in 25/26, some of the cost may be covered by ECP4.

Project Ref	Responsible Service Director	Description of Proposal	Total Project Investment 2025/26 onwards	Total Anticipated Funding from Grants or Other Contributions	Proposed Investment in 2025/26	Proposed Investment in 2026/27	Proposed Investment in 2027/28	Proposed Investment in 2028/29	Proposed Investment in 2029/30	Proposed Investment 2030 - 2035	Anticipated Impact of Proposal	
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		£'000
NCP5	Service Director - Place	Broadway Gardens resurfacing	250	0	250	0	0	0	0	0	0	Current york stone area is uneven and wil become unsafe and is breaking up due to use and frost. This project is to resurface this area with like for like but may be other alternatives. This will require confirmation by Planning due to the location being in a conservation area.
			2,525	287	480	520	190	180	180	900		
ECP20	Service Director - Place	HSC: Change Village Refurbishment	225	0	0	225	0	0	0	0	0	The Change village was last refurbished in 2014. To ensure customer satisfaction is maintained, refurbishment is programmed to take place on a 10-15 year cycle. <b>To review in 2025/26 to see if it can be pushed back another year, and/or whether it could be a partial refurbishment.</b>
ECP22	Service Director - Place	NHLC Male, Female and accessible wet change refurbishment	250	0	0	250	0	0	0	0	0	The wet side changing rooms were last refurbished in 2016. To ensure customer satisfaction is maintained refurbishment is programmed to take place on a 10-15 year cycle. Consideration will be given to reconfiguring area to accommodate a change village in line with HSC and RLC.
ECP23	Service Director - Place	NHLC: Interactive Water Feature	120	0	0	0	120	0	0	0	0	Proposal to transform the small pool into a highly interactive water play area for children of all age and ability groups. <b>To be discussed with Everyone Active as to whether it would generate additional use, and may be removed.</b>
ECP24	Service Director - Place	NHLC: Pool Flume Replacement	300	0	0	0	300	0	0	0	0	The pool flume was installed in 1992 and due to its age a proposal to replace the flume with a newer model is proposed. This will ensure continued customer satisfaction for users of the leisure pool. <b>Brought forward from 2028/29 and estimated cost increased from £150k.</b>
ECP25	Service Director - Place	Royston Leisure Centre Dry Side Toilet Refurbishment	30	0	30	0	0	0	0	0	0	To ensure customer satisfaction is maintained a project to fully refurbish the male, female and disabled dry side toilet areas is proposed.
ECP26	Service Director - Place	Royston Leisure Centre Café	20	0	20	0	0	0	0	0	0	The Council's new leisure provider put forward a proposal that if the Council provided capital funding for the capital investments within their bid, that they would provide additional management fee income. The additional management fee would be greater than the Council's cost of capital.
ECP27	Service Director - Place	RLC: Fitness Equipment Replacement	350	0	350	0	0	0	0	0	0	The Council's new leisure provider put forward a proposal that if the Council provided capital funding for the capital investments within their bid, that they would provide additional management fee income. The additional management fee would be greater than the Council's cost of capital.



Project Ref	Responsible Service Director	Description of Proposal	Total Project Investment 2025/26 onwards	Total Anticipated Funding from Grants or Other Contributions	Proposed Investment in 2025/26	Proposed Investment in 2026/27	Proposed Investment in 2027/28	Proposed Investment in 2028/29	Proposed Investment in 2029/30	Proposed Investment 2030 - 2035	Anticipated Impact of Proposal
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
ECP28	Service Director - Place	RLC: Fitness Facility Refurbishment	452	0	452	0	0	0	0	0	The Council's new leisure provider put forward a proposal that if the Council provided capital funding for the capital investments within their bid, that they would provide additional management fee income. The additional management fee would be greater than the Council's cost of capital.
			1,747	0	852	475	420	0	0	0	
ECP32	Service Director - Place	Refuse and Recycling Bins	900	0	90	90	90	90	90	450	Wheeled bins are considered to have on average a 10-12 year life. The bin replacement cycle for the purple residual waste bins means we are likely to see increased bin purchases over the coming years.
ECP33	Service Director - Place	Fibre Waste Bins	1,170	0	1,170	0	0	0	0	0	In line with the decision by Cabinet for a 3:3:3 waste collection schedule, a new blue lidded 240L bin will be issued to residents as the new 'paper and cardboard' bin, replacing the box. This is the estimated cost of purchasing and delivery of the additional bin to households.
ECP34	Service Director - Place	Vehicle fleet replacement program (Waste and Recycling)	11,770	2,300	5,270	0	0	0	0	5,500	We will be providing funding for the new vehicles required for the new cobntract in return for a reduction in the contract cost. The investment reflects the Council's expected share of the total cost of vehicles. It includes that all vehicles under 7.5 tonnes will be electric. Expected vehicle life is generally around 8 years so provision for replacement in around 2033.
ECP35	Service Director - Place	Waste depot facility co-located with a residual waste transfer facility	6,000	0	0	0	0	3,000	3,000	0	Herts County Council are planning to build a waste and recycling transfer station. There may be an option to co-locate a waste depot on the same site, to replace the current Letchworth depot. The current Letchworth depot is not of sufficient size to accommodate the additional vehicles that will come with population growth. A new depot would also be planned to include facilities to allow the decarbonisation of the waste fleet.

Project Ref	Responsible Service Director	Description of Proposal	Total Project Investment 2025/26 onwards	Total Anticipated Funding from Grants or Other Contributions	Proposed Investment in 2025/26	Proposed Investment in 2026/27	Proposed Investment in 2027/28	Proposed Investment in 2028/29	Proposed Investment in 2029/30	Proposed Investment 2030 - 2035	Anticipated Impact of Proposal
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
NCP1	Service Director - Place	EV charging at the existing Letchworth depot	100	0	100	0	0	0	0	0	The installation of EV charging at the current depot for vehicles under 7.5 tonnes. Includes provision for increasing the overall supply to the site, which is likely to be required. Trying to obtain grant funding.
			19,940	2,300	6,630	90	90	3,090	3,090	5,950	
ECP1	Service Director - Resources	Capital maintenance to Council buildings	500	0	50	50	50	50	50	250	Condition surveys have been carried out on a substantial number of the Authority's premises (substantially consists of Community Centres and Pavilions). This bid relates to those premises which are not currently subject to separate plans or review. The surveys have identified necessary works within priority bands required to ensure the continued use of the premises and to maintain premises in a reasonable condition. Enhancement works of this nature will reduce reliance on reactive maintenance repairs.
ECP5	Service Director - Resources	Remote testing equipment - Emergency Lights and Water Temperature Monitoring	13	0	13	0	0	0	0	0	Provision of remote testing Emergency Lights and Water Temperature Monitoring at at least 4 small pavilion and cemetery sites.
ECP31	Service Director - Resources	Off Street Car Parks resurfacing and enhancement	139	0	19	43	77	0	0	0	Condition surveys have identified the need for a proactive programme of resurfacing for the council's off street car parking. Resurfacing, re-lining and enhancing the lighting enables the car parks to be used safely, reducing insurance claims for trips and falls, and allows the continued enforcement of the relevant traffic regulation orders. A. Planned maintenance programme should enable reduction in reactive repairs. B. No programme of repairs will require additional revenue maintenance funds for responsive repairs, and loss of income as Traffic regulation orders will become unenforceable. <b>Updated assesment of condition includes works to Priory Gardens (25/26), King James Way (26/27), Bancroft (26/27 and 27/28) and the Warren (28/29). To be kept under review and will require further work in later years.</b>
NCP8	Service Director - Resources	CCTV Control Room upgrade	45	0	45	0	0	0	0	45	Stevenage BC (who operate the control room on behalf of the partnership and company) have been notified that the core control room infrastructure is in need of an upgrade, as it will no longer be supported from the end of 24/25. The total cost is split between company and the partners. This is the estimated North Herts partnership (Council) share. May need to bring the spend forward to 24/25.
NCP9	Service Director - Resources	Public Sector Decarbonisation-phase 2	3,154	1,172	730	2,001	423	0	0	0	Consultants are looking at the decarbonisation options in relation to DCO, Hitchin Town Hall and District Museum and North Herts Learner Pool. This may lead to a successful decarbonisation fund bid, which would require a Council capital contribution.
			3,851	1,172	857	2,094	550	50	50	295	
<b>TOTAL</b>			<b>35,623</b>	<b>3,952</b>	<b>12,323</b>	<b>3,397</b>	<b>1,372</b>	<b>4,418</b>	<b>3,738</b>	<b>9,305</b>	

## **Appendix D- Chief Finance Officer's section 25 report**

As part of this report, under section 25 of the Local Government Act, the Council's Chief Finance Officer is required to comment on the robustness of estimates and the adequacy of reserves.

The major external factor affecting the Council continues to be uncertainty over future funding.

### **Future funding**

In the draft Local Government settlement, Government have only provided a guarantee that Core Spending Power will not fall. With additional funding being targeted towards social care and areas with higher derivation, this is the situation that the Council finds itself in. The guarantee is only in cash terms (i.e. no provision for inflation) and is applied after increase in the rate of Council Tax. This is what was implied in the policy statement as well, so is a reasonable base for planning beyond 2025/26.

The policy statement provided a clear direction that there will be a 3-year settlement for the period from 26/27 to 29/30. However it is feasible that this ambition could be affected by the ambitions in the Local Government devolution and reform White Paper.

The positive news for the Council was the Extended Producer Responsibility (EPR) funding. This is guaranteed minimum and on top of Core Spending Power in 2025/26. The period from 2026/27 is more uncertain. EPR itself does not place any new burdens on Councils, at least not of the scale of the funding provided. Recycling reforms in relation to mandatory food waste and separate fibre collections do place new burdens on Councils, albeit our new contract had been designed to deliver these. These new burdens will need to be funded. The base assumption used in our budget estimates is that our EPR funding allocation will essentially transform in to new burdens funding.

So, in summary, the base funding assumption for future years is based on:

- A Council Tax referendum limit of 3%.
- Net growth in our tax base (after direct costs linked to new properties) of 0.5% per year.
- A Core Spending Power guarantee of 0%, that is applied after Council Tax rate increases and assuming average growth in the tax base.
- EPR funding to be a proxy for waste new burdens funding, and to stay at a flat cash amount (i.e. no inflation).

It is worth noting that the Core Spending Power guarantee in the form above makes the Council Tax referendum limit irrelevant in terms of the funding that the Council will receive. It merely further shifts the burden of our funding to Local Council Taxpayers.

The policy statement referred to shifting grant funding away from Councils that could generate funding through Council Tax. A more positive scenario could be that the Government allowed Councils to keep some of the gains from Council Tax rate increases, on top of the 0% Core Spending Power guarantee. That would help Councils (especially those deemed to be at floor level) with some contribution towards inflationary cost pressures. It would also mean that Council Tax rises would have some local benefit rather than just off-setting reductions in Government funding. If we were able to keep all of the rate gains (at a 3% increase) it would be additional funding of around £400k in 26/27, increasing to over £1.7 million by 2029/30. Note that this would still likely to be a below inflation increase overall, and would not provide any additional population based funding. It might be that Government only let us keep part of the gain and/or limited Council Tax rate increases to 2%. If we are able to keep 1% of gain per year then that would be around £140k in 26/27, and around

£550k by 2029/30. At 2% per year it would be around £270k in 26/27, and around £1.1 million by 2029/30.

A worse case scenario would see the ERP funding being removed, either in one go or over time. Whilst we should expect to receive waste new burdens funding, there are previous examples of such funding either being insufficient initially, or eroded over time (e.g. through the impact of inflation and/or redistribution). For example, the effective new burdens funding could be just £500k by 2029/30.

There are clearly scenarios that could be described as best or worst case scenarios that would fall beyond those already described. However it seems unlikely that negative RSG will return, at the negative end. And it seems there is insufficient overall money to provide more central funding (i.e. not raised from local Council Tax) and still target funding towards areas of higher deprivation.

It is my view that the assumption made is a reasonable one to make with limited information available. As will become a theme through this section 25 report, there will be a need to be ready to react as better information becomes available. That means having a set of plans that are developed and being ready to make decisions that ensures the ongoing sustainability of the Council.

### **Impact of inflation**

Each year, we apply increases to our budgets to reflect forecasts of contract inflation and pay inflation. Contract inflation is usually linked to specific indicators and we use published economic forecasts to predict what these will be. Once we have worked through the initial adjustments for the new waste and street cleansing contracts, we will have two of our big contracts having been recently retendered and greater cost certainty. However we will still be exposed energy price inflation, and the risk that this is above general inflation and/or it acts as a driver for general inflation.

We have estimated pay inflation at 3% in 2025/26 and then 2% per year thereafter. The overall result for the 2024/25 pay inflation was actually slightly less than the 4% estimate. Even with recent pay increases being higher at the lower grades, increases in the National Living Wage still put pressure on further significant pay increases at these grades. This puts direct pressure on the middle grades and maintaining pay differentials, and pressure on the higher grades which have seen lower increases and have tracked even further behind inflation. Whilst I think the current budget assumption is a reasonable one to take (and is consistent with many other Councils), I am concerned that it may turn out to be an under-estimate.

We set our capital budgets over a 10-year time horizon, and therefore our estimates are susceptible to inflation between when they are added to the programme and when the expenditure is ultimately incurred. For more discretionary capital spend, this can have an impact on viability when estimates are updated. For example, the allocation for a pavilion at Walsworth Common is now too low, and there is a need to identify more third party funding to maintain this as a deliverable project (without a much more significant Council contribution). At a more significant level, the allocation for a new waste depot is likely to be insufficient, unless it can be delivered in a different way or with a change in scope of what is required. The estimates will need to be reviewed as we get closer to the need and opportunity to deliver such a project.

Some of the Grounds Maintenance forecasts do not get adjusted (e.g. the play area refurbishment allocations), although the extent of some of these can be adjusted to fit the budget available.

There are some revenue budgets that do not get inflated each year, i.e. budgets that do not relate to pay or where known contract inflation can be applied. These are generally low value budgets that

pay for ad-hoc items, but it is acknowledged that the spending power of those budgets is being eroded. In the quarterly budget monitoring process we have not seen any pattern of overspend against these budgets. Although staff training is one of these budget types, we have generally found creative ways to get the most out of these budgets (e.g. use of our apprentice levy, use of other organisations unused levy). Although this will be kept under review, as it vital that we value staff training.

The inflation that is applied to fees and charges budgets is done in accordance with the assumptions agreed in the MTFS. In some areas this acts as a clear plan for how the level of fees and charges will be adjusted, although there is still uncertainty over the level of demand for those services. For car parking charges there is an additional level of risk over the total income that will be received. The MTFS assumption acts as a budget forecasting estimate only, and there will be a subsequent report to Cabinet to consider the actual changes to parking tariffs. That report will need to consider the wider implications and justification for any tariff changes. Whilst the percentage increase is moderate (2%), the total impact equates to around £50k. I feel that this is a balanced assumption, but there is an element of risk to highlight.

### **Demand pressures and grant funding**

In relation to the potential impact of reduced demand (either at current prices or where prices are inflated), there are various factors that provide me with confidence that the forecasts are reasonable. Firstly, we have been carrying out budget monitoring through the first 8 months of the year and have not seen any significant in-year drops in demand that needs to be adjusted on an ongoing basis. Secondly, whilst the most significant increase in charge is for garden waste (relative to previous increases), the assumptions allow for some drop-off in demand, the charging is in line with or below other Councils and they have not reported any significant falls in demand. Thirdly, the proposed new charging that is proposed is for car parking in the evenings and on Sundays, but the financial impact is currently shown as TBC (which equates to zero) which allows the impact (if adopted following consultation) to only be incorporated when we see the actual impact.

Housing is the main service area where we see demand pressures, which usually result in an increase in the need to use hotel and B&B placements. The excess cost of these placements is currently being covered through specific housing grants, and we have seen an increase in the specific grant that we have been awarded. The conversion of Anderson House (in Hitchin) in to homeless accommodation will also help by increasing the supply, especially for those requiring greater support. But it remains an area to keep a focus on through quarterly monitoring.

As detailed in the main budget report, the risks in relation to other specific grant funding have also been considered.

### **Capital spend, capital funding and debt**

Capital spend comes with a revenue cost, which ranges from lost treasury income through to external interest charges and Minimum Revenue Provision. There is therefore a need to ensure that our capital spend forecasts continue to be realistic, both in terms of cost forecasts for items that are progressing, as well as being prepared to remove those items that are no longer deliverable.

The impact of inflation on capital spend forecasts is considered above. The need to fund capital spend from borrowing comes with an increased revenue cost, compared with being able to fund it from capital receipts. It is therefore necessary to consider the assumptions made in relation to generating new capital receipts.

Recent reports to Council (July 24 and January 25) requesting additional budget for the leisure centre decarbonisation scheme shows that major capital projects are susceptible to capital cost inflation and changes in revenue forecasts (e.g. changes in costs/ income). The second decarbonisation bid is lower value and scale, but there is still the potential for cost increases, and it will need to be kept under review. Whilst the plans for Churchgate area regeneration (in Hitchin) are still being developed, there are options that could make it a very large project. The inherent risk of such a project could require an increase in the recommended minimum General Fund balance, which would reduce the flexibility over the timing of the delivery of savings.

There has been a delay in the timing and amount of capital receipts compared to previous forecasts. This is due to previous vacancies in the Estates team and some site-specific changes that have now come to light. As we have reaching the tipping point where we are running out of existing capital reserves, the Estates team are being prudent in the timing of their forecast receipts. This results in a higher forecast Minimum Revenue Provision charge than may be required, but I consider this to be necessarily prudent.

As it currently stands, we have a small amount of historic external debt that it is not economic to repay. In the short-term we have the option to borrow internally against our revenue reserves and delay any further external borrowing as long as possible. This is both a more prudent approach, and likely to reduce longer term costs as it is likely that the cost of borrowing will reduce in the medium term (although not to the exceptionally low levels seen from 2008-2022).

### **Savings requirement**

The plan (as detailed in the MTF5) is to use Business Rate pooling gains (that are held in reserve) and General Fund reserves to support balancing the budget in 2025/26. This will be further helped by the ERP funding which will reduce the call on those reserves (at least in 2025/26). This is contingent on the commitment to take action during 2025/26 (including public consultation) to make decisions on savings to be implemented in 2026/27 onwards.

As there is not a savings target in place for the current year, any savings that have been put forward have not been due to pressure being placed on Budget Managers. Therefore, I consider the savings that have been put forward as part of this budget to be achievable and I do not need to flag any risks or concerns.

### **Council Reserves and the CIPFA Resilience Index**

At the start of 2025/26 we expect our General Fund reserves to be £14.4m and we also have £6.5m of previous Business Rate gains and grants held in reserve. As detailed in the budget report this is substantially above the recommended Minimum General Fund reserve levels. This gap helps to provide further comfort against the risks and concerns that I have highlighted in this section 25 report.

The Chartered Institute for Public Finance and Accountancy (CIPFA) produce a Resilience Index for Councils. CIPFA recommend that Chief Finance Officers consider the results from the index in compiling their section 25 reports.

The index is published on the CIPFA website (<https://www.cipfa.org/services/financial-resilience-index>). At the time of writing this report the version on the website was still based on March 2023 data. CIPFA had provided a pre-release version using 2024 data to Chief Finance Officers, and the considerations below are based on that version. I hope that version is published on the CIPFA website soon.

The Resilience Index includes some important measures in relation to level of reserves and how quickly they are being used. However, as it is based on data from the previous financial year-end, it obviously is not current data. Any key messages that are highlighted by the Resilience Index, would usually have been being flagged by the Council's Chief Finance Officer long before they show up on the Resilience Index. However, the Index can help as a wake-up call to reiterate the need for action.

The Index is based on comparisons, both with others and over time. In our case we can compare ourselves against all Districts or our statistical near neighbours. This can help with highlighting with where you are different to other Councils and not just rely on the fact that it is difficult for everyone.

When compared with our nearest neighbours the two measures which are showing as higher risk are: change in reserves and level of earmarked reserves. Our results are that our change in reserves was -10% (comparative range of -89% to +29%). However, this is in accordance with our short-term strategy and needs to be considered in the context of our overall level of reserves. Our overall level of reserves (compared with net expenditure) is at the lowest risk level. The story in relation to earmarked reserves is similar and we have been shifting earmarked reserves that aren't really that targeted in to the General Fund. So that would explain the levels and reductions in those levels. My conclusion is that our reserves are at a reasonable level for the risks that we are exposed to. Some Councils may have higher reserves as a way to mitigate against the higher risks (e.g. in relation to investments or borrowing) that they face. There is capacity for our reserves to drop as we respond to the budget pressures that we expect to have to face. But is worth noting that our reserves are not so high to allow for an excessively delayed response. They are at a level that allows for measured but prompt response but reflecting that savings will take some time to implement.

### **Conclusion**

Overall, I consider that the budget is proposed based on robust estimates. I have highlighted where I feel that there are elements of higher risk, but I am satisfied that there are mechanisms in place to be able to respond to these if required.

My overall conclusion is focused on the medium-term. It is almost certain that there will be a need to act. Even the more optimistic projections on funding would require savings to be identified and delivered of over £1m (and more likely in the range £2.5m - £3.5m). There will need to be some difficult decisions over areas of priority during 2025/26, to help inform the 2026/27 budget process. As long as action is taken then the Council can be sustainable in the medium-term and beyond. But if action is not taken then our reserves could fall very quickly. The Corporate Peer Challenge also highlighted the benefits of achieving a balanced budget more quickly and then using any reserves that are deemed to be surplus for investment in the district.

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**Appendix E - Budget Summary 2025/26 to 2029/30**

<b>All amounts £000</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>
Net expenditure brought forward	19,376	22,792	21,852	21,162	20,448
Planned delivery of savings previously identified	-1,090	-975	-53	-339	-158
Planned Investments previously approved	1,317	371	128	106	-20
Other previously identified adjustments in future years	16	-19	17	-19	17
Savings and Cost Reductions reported in year	-100	-25	0	0	0
Investments and Pressures reported in year	1,235	-776	0	0	0
New savings proposals	-433	264	-159	-18	113
New investment proposals	1,314	651	-75	-192	-323
Net pay increments	173	50	50	50	50
Pay inflation	554	300	300	300	300
Pension contribution inflation	32	0	0	0	0
Forecast Contractual Inflation	272	325	325	325	325
Forecast Income Inflation	-261	-219	-223	-228	-231
2024/25 Budgets Carried Forward	388	-388	0	0	0
Further savings tbc	0	-500	-1,000	-700	-600
<b>Total Net Expenditure</b>	<b>22,792</b>	<b>21,852</b>	<b>21,162</b>	<b>20,448</b>	<b>19,920</b>
Council Tax Income	-13,613	-14,090	-14,584	-15,095	-15,625
Council Tax Collection Fund (Surplus) / Deficit	-144	0	0	0	0
Other Funding	-4,900	-4,423	-3,929	-3,418	-2,888
Extended Producer Responsibility funding	-1,435	-1,435	-1,435	-1,435	-1,435
Council Tax Support to Parishes	39	39	39	39	39
<b>Total Funding</b>	<b>-20,053</b>	<b>-19,909</b>	<b>-19,909</b>	<b>-19,909</b>	<b>-19,909</b>
<b>Net funding position (use of reserves)</b>	<b>2,739</b>	<b>1,943</b>	<b>1,253</b>	<b>539</b>	<b>11</b>
General Fund b/f	14,401	14,401	14,401	13,865	13,326
MHCLG Grants Transfer	-2,739	-1,943	-718	0	0
General Fund c/f	14,401	14,401	13,865	13,326	13,315

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## **Appendix F**

### **Investment Strategy (Integrated Capital and Treasury Strategy)**

## Part 1- Overview

### Introduction

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's risk appetite, providing adequate security and liquidity initially before considering investment returns.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending plans. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses.

The Chartered Institute of Public Finance and Accountancy (CIPFA) define treasury management as:

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

This strategy provides an integrated view of capital spend and income, alongside treasury management. This is because long-term Treasury management is inextricably linked to the funding of the capital programme. There is also a requirement to apply treasury management principles to any capital spend that is not related to service provision.

The format of this strategy is as follows:

#### Part 2- Capital Spend

- A summary of the Council's current capital assets. For those assets that are not held for service provision, an assessment against the principles of Security, Liquidity and Yield.
- Forecasts of the capital and revenue spend required to maintain those assets.
- Planned spend on new capital assets, with the additional assessment of risk, security, liquidity and yield for those assets that are not being acquired for service provision.
- This part of the strategy therefore gives a complete picture of forecast capital spend.

#### Part 3- Capital balances, receipts and the Capital Financing Requirement (CFR)

- Forecasts of expected receipts from the sale of surplus capital assets.
- Comparing capital spend forecasts with capital reserve balances and forecast future receipts gives the Capital Financing Requirement, which is the Council's need to borrow.

#### Part 4- Borrowing Strategy and Minimum Revenue Provision (MRP)

- This leads to the setting of a borrowing strategy which sets out how to borrow, when to borrow and for how long.
- Where the Council has a borrowing requirement, then it is required to set a policy on Minimum Revenue Provision.

#### Part 5- Investment Strategy

- This is then all combined to determine the levels of cash that the Council will have available for investment. This leads to an investment strategy that determines where to invest any balances, including limits on types of investments.

#### Part 6- Overall Risk considerations

- To consider the cumulative risks that the Council faces that arise from the totality of this strategy.

#### Part 7- Glossary of terms

- To explain the various terms used in this strategy.

The strategy sets a number of prudential and treasury indicators. A prudential indicator is one which is required by statutory guidance, whereas a treasury indicator is one that is set locally to provide information on performance.

#### Reporting requirements

Full Council will receive and approve three reports during the year:

- The Integrated Capital and Treasury strategy (this report)
- A mid-year review
- An annual report on the performance of the treasury management function, on the effects of the decisions taken and the transactions executed in the past year, and on any circumstances of non-compliance with the organisation's treasury management strategy.

Each of these reports will be reviewed by the Finance, Audit and Risk (FAR) Committee and Cabinet. The FAR Committee and Cabinet will also receive reports on the position as at the end of the first (to end of June) and third (to end of December) quarters. The FAR Committee undertakes an oversight role.

These reports will provide relevant updates on performance against the prudential and treasury indicators.

#### Basis of Estimates

The estimates contained within this strategy are based on the best information that can reasonably be obtained. For forecasts of spend on assets (revenue maintenance, capital maintenance and capital acquisitions) this is based on a combination of previous experience, indicative quotes, condition surveys and professional advice. The estimates of capital receipts are provided by the Council's Estates Team and are prudent estimates based on expected use, type of sale, market conditions and (where applicable) the status of negotiations to date.

The Council has experienced cost increases on capital projects in the past. These have generally arisen from delays in the start of the project and subsequent inflation, rather than incorrect estimates. Budget Holders have been asked to be as realistic as they can be about the timing of projects and ensure that forecast costs are aligned to the expected timing. There will also be

external factors that affect estimates, particularly current economic conditions and the impact of inflation. For capital projects, there is some flexibility to the extent to which they can overspend without further approval (ranging from 5% to 20% dependant on value) and this is considered in setting this overall strategy and in the quarterly monitoring.

### Treasury Management Policy and Treasury Management Practices

In line with guidance from the Chartered Institute of Public Finance and Accountancy, the Council sets the following treasury management policy:

1. This Council defines its treasury management activities as: The management of the organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
2. The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.
3. The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

The Council also has treasury management practices (TMPs) which set out how the Council will carry out, manage and control the achievement of the policy above in practice. These TMPs follow the recommendations contained within the Code of Practice on Treasury Management (published by CIPFA), subject only to amendment where necessary to reflect the particular circumstances of the Council. Such amendments are minor and do not result in any material deviation from the Code's key principles. The TMPs cover the following areas:

- TMP1- Risk Management
- TMP2- Performance Measurement
- TMP3- Decision making and analysis
- TMP4- Approved instruments, methods and techniques
- TMP5- Organisation, clarity and segregation of responsibilities, and dealing arrangements
- TMP6- Reporting requirements and management information arrangements
- TMP7- Budgeting accounting and audit arrangements
- TMP8- Cash and cash-flow management
- TMP9- Money laundering
- TMP10- Staff training and qualifications
- TMP11- Use of external service providers
- TMP12- Corporate Governance

### Treasury Consultant

The Council undertook a tender to provide treasury management advice for a three year period. The contract was awarded to Link Asset Services to provide treasury management advice for the three year period April 2023 –March 2026 with the option to extend for a further two years. Link have since been taken over by MUFG Pension and Market Services (“MUFG”). It is recognised that the responsibility for treasury management decisions remains with the Council at all times and the Council will ensure that undue reliance is not placed upon MUFG. However, there is value in employing external providers of treasury management services to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented.

The performance of the treasury consultant is assessed through regular meetings and the justifications for the advice provided.

### Skills and culture

It is important that decision makers are given the information that they need to make those decisions. Given that treasury and risk management can be a complex area; this should be accompanied by the availability of appropriate training. To address the availability of information, all Council, Cabinet and Committee reports include sections on both financial and risk implications. Where a decision is more financial in nature then these considerations will be detailed throughout the report. Table 1 details the key groups in relation to decision making and the training that has been made available. This strategy is required to disclose the steps that have been taken to provide training, and it is up to individual members of those groups to ensure that they take advantage of the opportunities offered.

Table 1

Group	Reason for training	Training that has been made available
Full Council (All Councillors)	<p>Required to formally adopt this Strategy.</p> <p>Required to approve any capital purchase over £2.5m.</p>	<p>Annual training that provides an introduction to Local Authority funding and accounting was provided in June 2024. All Councillors were invited to attend, with a particular focus on new Members, Cabinet members and Finance, Audit and Risk Committee members.</p>
Finance, Audit and Risk (FAR) Committee	<p>To review the Council's policies on Treasury, Capital and the Medium-Term Financial Strategy.</p> <p>To monitor the effective development and operation of risk management.</p>	<p>There is a standing item for future agenda items, which includes training ideas. This allows the targeting of specific training. This has enabled a number of training sessions to take place in advance of the regular FAR meetings.</p> <p>For 2025/26, the Committee have agreed to resume carrying out an annual skills self-assessment.</p> <p>Where relevant (particularly early in the civic year) the presenter of reports provides a more detailed introduction to ensure the key information and context is fully understood.</p> <p>Regular reporting to the Committee on Capital, Risk and Treasury provides the opportunity to ask questions.</p>
Chief Finance Officer and Finance Team	<p>Responsibility for the financial management of the Council (under s151 of Local Government Act, 1972), including capital and treasury management. Provide advice to Budget Holders in respect of financial management.</p> <p>Responsible for reviewing and amending the financial implications sections of reports.</p>	<p>Ongoing Continuing Professional Development for all qualified members of the finance team, including focused training for specific areas of responsibility.</p>
Leadership Team (LT)	<p>Individual Service Directors will be responsible for putting forward proposals.</p> <p>Proposals will be reviewed by the Senior Management Team prior to taking through the Committee process.</p> <p>Members of SMT are likely to be involved in negotiating commercial deals.</p>	<p>Previous training session on risk, risk appetite and assessing risk.</p> <p>Regular updates on the Council's funding and finances, including significant changes in regulations.</p> <p>Updates on the core principles of the prudential framework.</p>



## Part 2- Capital Spend

### Current Capital Assets

As at 31<sup>st</sup> March 2024, a summary of the capital assets owned by the Council is shown in table 2 below.

**Table 2**

<b>Asset Type</b>	<b>Asset</b>	<b>Reason for ownership</b>	<b>Value (£000)</b>
Investment Properties	Various	Retained to generate income	27,017
Churchgate, Hitchin	Shopping Centre	Regeneration	3,340
Surplus Land and buildings	Various	Held for future sale or development	8,618
Offices and Storage	Offices	Staff offices, customer service centre and democratic facilities	3,793
Offices and Storage	Unit 3 / Depots	Off-site storage, back-up IT and emergency planning	582
Leisure Facilities	Hitchin Swim Centre / Archers	Service use	8,614
Leisure Facilities	Letchworth Outdoor Pool	Service use	3,252
Leisure Facilities	North Herts Leisure Centre	Service use	13,218
Leisure Facilities	Royston Leisure Centre	Service use	8,357
Leisure Facilities	Pavilions / Bandstands	Service use	2,186
Leisure Facilities	Recreation Grounds / Play Areas / Outdoor Gym Equipment / Gardens/Allotments	Service use	5,764
Leisure Facilities	Decarbonisation Project	Service Use	16
Community Centres and Halls	Various	Community facilities, generally operated by third parties	12,634
Markets	Hitchin Market	To provide a market	163
Museums and Arts	Hitchin Town Hall and District Museum	District-wide museum and community facility	7,041
Museums and Arts	Letchworth and Hitchin museums, Burymead store	Museum storage	1,737
Cemeteries	Various	Service use	1,565
Community Safety	Various CCTV cameras	Service use	63
IT	Various computer equipment and software	To enable the delivery of other services	373
Parking	Various car parks	Service use	11,384
Waste Collection	Bins	Service use	290
Waste Collection	Vehicles	Service use	605
Public Conveniences	Various	Subject to leases/ management arrangements	561
Other	Various	Various	547
<b>Total</b>			<b>121,720</b>

Table 3 shows the capital expenditure that has been incurred during the year, or is forecast to be spent in the remainder of the year:

**Table 3**

<b>Asset Type</b>	<b>Asset</b>	<b>Reason for purchase/ expenditure</b>	<b>Value (£000)</b>
CCTV	Various	CCTV Replacement	132
Cemeteries	Wilbury Hills	Path Enhancement	10
Grants	John Barker Place	Contribution to redevelopment	1,096
Grants	Various	Private Sector Housing Grants	100
Grants	Various	S106 Grants (REFCUS)	12
Grants	Various	Shared Prosperity Fund	280
Investment Properties	Residential Housing	To enable the conversion of Harkness Court to increase housing provision in the District	3
IT	Various computer equipment and software	To maintain IT service and provision of equipment	718
Leisure Facilities	Hitchin Swim Centre / Fitness	Enhancements	821
Leisure Facilities	Letchworth Outdoor Pool	Enhancements to Café	53
Leisure Facilities	North Herts Leisure Centre	Enhancements	1,212
Leisure Facilities	Recreation Grounds / Play Areas / Gardens / Allotments	Refurbishment of play areas.	576
Leisure Facilities	Royston Leisure Centre	Enhancements	670
Leisure Facilities	Various	Decarbonisation Project	8,590
Leisure Facilities	Various	Environmental Improvements	78
Museums	Museums	Museum and Commercial Storage	1,350
Parking	Off Street	Match Funding for Electric Vehicle Charging	100
Parking	Off Street	Upgrade pay and display machines and resurfacing	677
Various	IFRS16	IFRS16 accounting standard requires operating leases for all material assets with a duration of more than one year to be recorded on the Council's Balance Sheet.	456
Various	Various	Capital maintenance of Council buildings/land	305
Waste	Bins	Service Use	130
Waste	Bury Mead Road Transfer Facility	Service Use	30
<b>Total</b>			<b>17,399</b>

**Capitalisation Policy:**

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classed as Property, Plant and Equipment.

Expenditure, above the de-minimis level, on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis provided that it is probable that the future economic benefits or service potential associated with the item will flow to the authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) or is below the de-minimis level, is charged as an expense when it is incurred.

The Authority's de-minimis level is £20,000 for property and £10,000 for vehicles, plant and equipment. Lower limits may be applied where it relates to grant funding

The Council will provide grants that fund works on assets that it does not own. This expenditure can be treated as capital expenditure, even though it does not create an asset that the Council would then own or recognise. This is known as revenue expenditure allowed to be funded by capital under statute (or REFCUS).

For the assets that the Council owns (or plans to purchase in the year) that are **not** for service delivery, the security, liquidity and yield in relation to these have been considered. For these assets it is up to the Council to determine how it balances these, and this will depend on its risk appetite. This analysis is shown in Table 4. In most cases, assets are grouped together by type. Assets that are held for income generation purposes are revalued annually. This valuation is on a fair value basis. Unless detailed below the asset is considered to provide sufficient security.

**Definitions:**

Security- In traditional treasury terms, this is the possibility that other parties fail to pay amounts due to the Authority. For commercial investments it relates to how susceptible they are to changes in value and market conditions.

Liquidity- This is the possibility that the Authority may not have funds available to meet its commitments to make payments. In general it relates to how easy it is to sell an asset.

Yield- The income return on an investment or asset, such as the interest received or rental income from holding a particular investment or asset.

**Table 4**

<b>Asset (or type of asset)</b>	<b>Security</b>	<b>Liquidity</b>	<b>Yield</b>
Ground leases- mainly of commercial premises in Royston, Letchworth and Hitchin (£24.6m by value)	Generally subject to long leases where the land has been built on. The building would become owned by the Council if there was a default on the lease agreement. Therefore, high security.	It is possible that the Council could try and sell to the leaseholder. Otherwise low liquidity in common with commercial premises.	The assets have been owned for a number of years. Valuations are based on the yield generated.
Letchworth Town Hall (value £0.8m)	25 year lease (from 2012) where the tenant has provided significant investment.	Very low liquidity as would require someone to be interested in this type of building. Listed so would limit redevelopment.	Valuations are based on the yield generated.
Beverley Close Store, Royston (value £0.2m)	15 year lease from 2017	Low liquidity in common with commercial premises.	Valuations are based on the yield generated. Previously used as a Council store and a decision was made to retain for rental income.
Residential housing (Harkness Court) (value £0.7m)	The property is on a long lease to Broadwater Hundred. The property would ultimately revert to the Council if the company did not pay the rent due. The demand for housing is high (shown by how quickly the properties were let) and so the security is considered to be high.	High demand should mean the property has high liquidity if the Council and company agreed to sell the property. The liquidity is lowered as currently leased to the company.	Generating a yield from the lease to Broadwater Hundred.
Other assets valued at less than £0.1m (£0.5m in total)	Not fully assessed	Not fully assessed	Not fully assessed

**Definitions:**

Fair Value: The price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

For each of the assets in table 4, there is also a requirement to carry out a fair value assessment that demonstrates that the underlying assets provide security for the capital invested. There is a further requirement to carry out an assessment of the risk of loss. This assessment generally relates to investments in commercial activities so includes items that may be less relevant to the majority of our assets. In total the risk assessment covers:

- Assessment of the market that competing in, including nature and level of competition, market and customer needs including how these will evolve over time, barriers to entry and exit, and ongoing investment required.

- Use of external advisers and how the quality of these is monitored
- Whether credit ratings are used and how these are monitored
- Any other sources of information that are used

The assessments described above are shown in table 5. In most cases the assets are grouped together by type.

**Table 5**

<b>Asset (or type of asset)</b>	<b>Fair value assessment</b>	<b>Assessment of the risk of loss</b>
Ground leases- mainly of commercial premises in Royston, Letchworth and Hitchin (£24.6m by value)	Valued on a fair value basis. The valuation is based on rental yields.	Subject to competition from other sites within the same industrial areas and other locations. Difficult (uneconomic) for current lessees to exit due to lease terms and investment in the site. Any maintenance is the responsibility of the leaseholder.
Letchworth Town Hall (value £0.8m)	Valued on a fair value basis. The valuation is based on rental yields.	The building has some unique features in relation to its prominence and location. However, overall, there currently is an over-supply of office accommodation in Letchworth. Difficult (uneconomic) for current lessees to exit due to lease terms and investment in the building. Any maintenance during the lease term is the responsibility of the leaseholder.
Beverley Close Store, Royston (value £0.2m)	Valued on a fair value basis. The valuation is based on rental yields.	Subject to competition from other sites within the same industrial areas and other locations. Currently let to a company with significant property interest nearby. Might be difficult to re-let.
Residential housing (Harkness Court) (value £0.7m)	Valued on market value	Due to national (and local) housing shortage, there is high demand. The risk of loss is low, and will generally only be due to short-term voids.
Other assets valued at less than £0.1m (£0.5m in total)	Not fully assessed	Not fully assessed

Under the 'Use of Capital Receipts Direction', the Council can treat certain specified revenue spend as capital. Further details of the direction are shown below. Where this direction is used, the spend is included in the capital forecasts in tables 3, 6 and 7.

**Use of Capital Receipts Direction:**

The Capital Receipts direction was last used to fund the decommissioning of pavilions and play areas in 2018/19. There are no plans to make further use of the Direction in the period 2025/26– 2029/30. This is because the Council has high revenue reserves and low available capital receipts.

For all assets the future capital cost of maintaining those assets has been considered, and gives the following future capital spend requirements (table 6). For some of the elements of some items (marked with an asterisk) the spend could be included in table 7 but is included here to make the tables shorter.

**Table 6**

Asset	Description of future capital expenditure	Forecast Capital Expenditure (£000)					
		2025/26	2026/27	2027/28	2028/29	2029/30	2030/31 to 2034/35
<b>Existing Capital Programme-schemes 2025/26 onwards</b>							
Various	Capital maintenance based on condition surveys	50	50	50	50	50	250
Cemeteries	Wilbury Hills footpath resurfacing	0	30	0	0	0	0
Computer Software & Equipment	To maintain IT services	1,112	133	62	1,023	358	1,830
Hitchin Swim Centre*	Refurbish Changing Village	0	225	0	0	0	0
North Herts Museum & Community Facility	Weatherproof solution to allow all year round use of the Terrace Gallery balcony space / Town Hall Kitchen Enhancement	48	25	0	0	0	0
North Herts Leisure Centre*	Accessible wet change refurbishment / Interactive Water Feature	550	0	0	0	0	0
Royston Leisure Centre	Refurbishments / Learner Pool	1,852	0	0	0	0	0
Various	Private sector housing grants (REFCUS)	165	60	60	60	60	300
Various Off-Street Car Parks	Resurfacing / Enhancements	365	43	77	0	0	0
Various Parks and Playgrounds	Enhancements	1,356	190	190	180	180	900
Waste and Recycling	Bin replacements	1,260	90	90	90	90	450
<b>New Capital Programme</b>							
Various Parks and Playgrounds	Priory Gardens Bandstand	50	0	0	0	0	0
<b>Total</b>		<b>6,808</b>	<b>846</b>	<b>529</b>	<b>1,403</b>	<b>738</b>	<b>3,730</b>

The totals for 2030/31 to 2034/35 are estimates only and could be subject change. These should be treated as early indications only, and formal approval of these amounts is not required.

The revenue maintenance of these assets has also been considered. The Council has chosen to allocate a central budget of £230k per year for this purpose.

#### New Capital Assets

There are also proposals for the following capital expenditure on new capital assets and expenditure on existing assets that is not related to capital maintenance (table 7).

Table 7

Asset	Reason for capital expenditure	Forecast Capital Expenditure (£000)					
		2025/26	2026/27	2027/28	2028/29	2029/30	2030/31 to 2034/35
<b>Existing Capital Programme-schemes 2025/26 onwards</b>							
Charnwood House	Refurbish and update the building for community use.	366	0	0	0	0	0
Newark Close	Replace Road	45	0	0	0	0	0
NH Museum and Community Facility	Museum Storage Solution / Replace Chiller	730	2,000	0	0	0	0
Public Sector Decarbonisation Project phase 1	Public Sector Decarbonisation Project	5,000	0	0	0	0	0
Remote testing equipment	Emergency Lights and Water Temperature Monitoring	13	0	0	0	0	0
S106 Projects	Fund community projects	192	0	0	0	0	0
Solar for Business	Install Solar Panels (on 3 <sup>rd</sup> party property)	563	0	0	0	0	0
Various	Refurbishment and improvement of community facilities	48	0	0	0	0	0
Various Grant Funded Projects	GAF funded implementations	713	0	0	0	0	0
Various on-street parking	Installation of trial on-street charging	50	0	0	0	0	0
Walsworth Common Pavilion	New pavilion	0	300	0	0	0	0
Waste and Recycling	Vehicles and Northern Transfer Station	5,270	0	0	3,000	3,000	5,500
<b>New Capital Programme</b>							
CCTV Control Room	Upgrade Control Room	45	0	0	0	0	45
Computer Software & Equipment	An alternative set of 25 machines that are outside of the Windows Environment for Disaster Recovery	15	0	0	15	0	30
Hitchin Town Hall	Air conditioning	100	0	0	0	0	0
Letchworth Deport	EV charging	100	0	0	0	0	0
Mel Tax Offices, Royston	Roof and structural works	25	0	0	0	0	0

Various Parks and Playgrounds	Replace play equipment and resurfacing	250	0	0	0	0	0
Public Sector Decarbonisation Project phase 2	Public Sector Decarbonisation Project	730	2001	423			
<b>Total</b>		<b>14,255</b>	<b>4,301</b>	<b>423</b>	<b>3,015</b>	<b>3,000</b>	<b>5,575</b>

Below is an estimate of the total capital expenditure to be incurred in the years 2025/26 to 2029/30. This is based on tables 6 and 7. This is a Prudential Indicator and the Council is required to set a target for it and monitor against it during the year.

<b>Prudential Indicator 1: Estimate of total capital expenditure to be incurred in years 2025/26 to 2029/30</b>	
<b>Year</b>	<b>£m</b>
2025/26	21.063
2026/27	5.147
2027/28	0.952
2028/29	4.418
2029/30	3.738

A list of the capital programme from 2025/26 is provided in Appendix C.

Where this proposed expenditure does not relate to service delivery, the security, liquidity and yield in relation to this spend has to be considered. The capital allocations do not include any spend that is not linked to service delivery, but the Council will continue to consider opportunities in relation to residential property and other investments where they support regeneration or support Council priorities. If these opportunities arise then they will be brought to Council for consideration, alongside an updated Investment Strategy. The table below (table 8) provides an analysis of security, liquidity and yield in relation to these types of investment.

**Table 8**

<b>Asset (or type of asset)</b>	<b>Security</b>	<b>Liquidity</b>	<b>Yield</b>
Residential Property (including developing housing on Council land)	<p>The underlying value of residential property generally appreciates over the medium term due to the overall shortage of supply. Any focus on developing new properties or converting existing properties to residential will also help to ensure security due to the expected uplift in value. Individual market factors will be considered prior to acquisition.</p> <p>Where retained it is likely that the property will be held through a company, although various funding structures can be considered (e.g. loan funding, equity funding or leasing the assets to the</p>	<p>Property is a medium to long-term asset due to the costs of buying and selling. However, it is generally possible to sell residential property within a reasonable time-frame if priced accordingly.</p>	<p>The expected rental yield will be compared to the costs of acquisition or construction as part of the business case.</p>



	company for onward rental). Maximum security would be achieved through loan funding (with the loan secured against the property) or an onward leasing arrangement. But there may be instances where higher levels of equity funding are considered appropriate.		
Other investments	The primary reason for any other investment would be to enable regeneration and/ or to support the delivery of Council priorities. But given overall Council finances, the security of investments will be given a high weighting in determining whether to take any forward. However there will always be some risk relating to both general market conditions and specific factors relevant to individual properties.	Property is a medium to long-term asset due to the costs of buying and selling, and that property markets can be cyclical in nature.	To reflect the risk of property investment a net surplus of 1% (above revenue costs of capital, administration and acquisition costs) will be targeted as a minimum. Any target surplus will be commensurate with the level of risk.

For these assets, table 9, also details an assessment of the risk of loss. This covers the same factors that have been detailed previously. Where relevant, assets have been grouped together.

**Table 9**

<b>Asset (or type of asset)</b>	<b>Assessment of the risk of loss</b>
Residential Property	This will be fully assessed as part of the business case for the acquisition of any properties.
Other investments	This will be fully assessed as part of the business case for the acquisition of any properties.

### **Part 3- Capital balances, receipts and the Capital Financing Requirement (CFR)**

#### Capital Funding

The Council forecasts the following additions to its capital receipts (table 10). All the planned disposals are surplus land that is being sold to generate capital receipts. The disposals will also reduce the risks and costs of holding the land. Due to the potential impact on negotiations over disposal values, individual values are not detailed. Table 8 above mentions potential opportunities for the Council to develop residential properties on existing land. If these were to be progressed, then that would require a refresh of the Investment Strategy. If the properties were then sold at the end, then that would result in a delayed (but expected to be greater) capital receipt. If some (or all of) the properties were retained, then that would swap a capital receipt for an expected revenue income stream. The valuations used are prudent for selling with limited restrictions and assuming that planning permission can be obtained. If the Council requires enhanced conditions in relation to affordable housing provision, then that could result in a reduced capital receipt. An allowance has been incorporated for higher environmental standards for new disposals, but the impact is uncertain as it will be affected by the cost of those enhanced standards (which is expected to fall over time) and any premium that the end purchaser of the property is prepared to pay. If there were changes in the receipts that could be achieved, then it may be necessary to revise the Investment Strategy. That would increase the borrowing requirement, increase borrowing costs and therefore have a greater revenue impact (due to revenue costs of capital). The Council has other limited surplus land that

may have a value but is not included in the forecasts below as the amount and/or timing of the receipt is too uncertain.

**Table 10**

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Balance B/Fwd	2,331	0	0	2,336	2,560	0
Used in Year	2,331	0	3,864	776	2,560	0
Forecast Receipts (£000)	0	0	6,200	1,000	Tbc (0)	Tbc (0)
Balance C/Fwd	0	0	2,336	2,560	0	0

The above timing and values are an estimate only. Actual timings will depend on market conditions and time taken for planning permission to be granted (where sales values are subject to planning). The Council will seek to get the best value it can from land sales.

As a result of planned expenditure in 2024/25 and future years, the Council forecasts the following use of funding for capital (table 11).

**Table 11**

Funding Source	Brought forward (at 31/3/24)	Forecast expenditure and funding sources (£000)						
		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31 to 2034/35
Capital Expenditure		17,399	21,063	5,147	952	4,418	3,738	9,305
Less: Set-aside receipts used	2,582	2,489	93	0	0	0	0	0
Less: Capital receipts used	2,331	2,331	0	3,864	776	2,560	0	0
Less: Grant funding used		8,053	807	996	176	0	0	0
Less: IT Reserve used		0	0	0	0	0	0	0
Less: S106 receipts used		539	276	37	0	0	0	0
Less: Funding from revenue		30	3,200	0	0	0	0	0
Less: Other Capital Contributions		10	48	250	0	0	0	0
<b>Borrowing requirement</b>		<b>3,947</b>	<b>16,639</b>	<b>0</b>	<b>0</b>	<b>1,858</b>	<b>3,738</b>	<b>9,305</b>
<b>Cumulative borrowing requirement</b>		<b>3,947</b>	<b>20,586</b>	<b>20,586</b>	<b>20,586</b>	<b>22,444</b>	<b>26,182</b>	<b>35,487</b>

**Definitions:**

Capital receipts- money received from the sale of surplus assets.

Set-aside receipts- previously money generated from the sale of surplus assets was not defined as capital receipt. The residual funding that the Council has (which is mainly from the sale of its housing stock to North Herts Homes) is treated as a set-aside receipt. In essence these are treated in the same way as capital receipts.

The borrowing requirement is the balancing item. It is also known as the Capital Financing Requirement (CFR). This is a Prudential Indicator and the Council is required to set a target for it and monitor against it during the year.

#### **Prudential Indicator 2: Capital Financing Requirement**

<b>Year</b>	<b>£m</b>
As at 31 <sup>st</sup> March 2024 (actual)	-2.6
As at 31 <sup>st</sup> March 2025 (forecast)	3.9
As at 31 <sup>st</sup> March 2026 (forecast)	20.6
As at 31 <sup>st</sup> March 2027 (forecast)	20.6
As at 31 <sup>st</sup> March 2028 (forecast)	20.6
As at 31 <sup>st</sup> March 2029 (forecast)	22.4

Where the Council has a Capital Financing Requirement (i.e. the borrowing requirement is positive) then it:

- Must make a charge to revenue for a Minimum Revenue Provision.
- Can choose whether to borrow internally or externally.

#### **Part 4- Borrowing Strategy and Minimum Revenue Provision (MRP)**

##### Borrowing strategy

#### **Definitions:**

Internal Borrowing- Even when the Council has no capital reserves, it can borrow internally against its revenue balances and reserves. This uses the cash that is available and is different to funding capital from revenue. The Council is still required to have a Minimum Revenue Provision but does not incur any external interest costs. Interest income from investing the revenue balances and reserves would be lost.

External Borrowing- Borrowing from a third party (e.g. Public Works Loans Board, a Local Authority or a financial institution). Interest costs would be incurred, as well as having to make a Minimum Revenue Provision.

Based on Prudential Indicator 2 above the Council has a Capital Financing Requirement from 2024/25 (although based on monitoring at Qtr 2 of 2024/25 had not yet reached having a positive Capital Financing Requirement) onwards and therefore does have a need to borrow.

If the Council had a borrowing requirement, then in order to determine whether to borrow internally or externally, it must consider the level of revenue reserves and provisions that it has, and when it expects that these will be spent. Forecasts of the revenue budget give the following estimates (table 12). These totals are also used in determining the cash that it has available for investment.

**Table 12**

Revenue balance	Brought forward (at 31/3/24)	Forecast balance at year end					
		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
General Fund <sup>1</sup>	14,057	14,401	14,401	14,401	13,394	12,698	12,630
Add back MRP	0	0	402	1,835	1,829	1,630	1,508
Revenue Reserves <sup>2</sup>	12,689	13,627	7,553	5,453	5,049	5,049	5,049
S106 balances	4,863	5,176	4,900	4,863	4,863	4,863	4,863
Provisions	2,597	2,597	2,597	2,597	2,597	2,597	2,597
Outstanding Debt	347	325	305	290	275	265	250
<b>Total</b>	<b>34,553</b>	<b>36,126</b>	<b>30,158</b>	<b>29,439</b>	<b>28,007</b>	<b>27,102</b>	<b>26,897</b>

1 Based on General Fund forecasts from Appendix E.

2 Revenue Reserve balance as at 31/3/24. Incorporates use of Business Rate reserve and waste vehicle reserve. For simplicity this ignores some of the fluctuations in reserve balances, as these do not have a material impact.

MRP is added back as it is not an outflow of cash and can be used for internal borrowing. The cash outflow happens when the borrowing is repaid. The Revenue budget includes forecasts of the MRP charge.

The Prudential Code (published by the Chartered Institute of Public Finance and Accountancy) provides a framework for Councils to develop investment plans that are affordable, prudent and sustainable. This details that an expectation that Councils will use cash reserves (i.e. borrow internally) before they borrow externally. The reason for this is that it reduces costs as not paying external interest. However, in the longer term it will introduce financing risk, as there will come a time when the Council will have diminished its cash reserves (except amounts held for cashflow purposes) and will need to borrow externally. This will need to be planned so that borrowing can be achieved at a reasonable rate.

Current forecasts (see tables 11 and 12) are that the Council will have revenue reserves in excess of its borrowing requirement. Therefore all borrowing (except any cashflow borrowing) will be internal over the period of the Investment Strategy.

**Table 13**

	Brought forward (at 31/3/24)	Forecast amount of borrowing in year (£000)							Carried forward (at 31/3/35)
		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31 to 2034/35	
Total borrowing requirement	346	3,947	16,639	0	0	1,858	3,738	9,305	
Made up of:									
Internal borrowing	0	3,947	16,639	0	0	1,858	3,738	9,305	35,487
External borrowing	346	(21)	(20)	(15)	(15)	(10)	(8)	(7)	250

The brought forward borrowing total is made up of historic borrowing that it is not cost effective to pay off. This is because the interest that would be payable over the course of the remaining loan has to be paid upfront instead. The reduction is due to these being loans that are repaid in instalments.

**Definitions:**

**Operational Boundary:** This is the limit beyond which external debt is not normally expected to exceed. Set as £1m (rounded to the nearest £0.1m) above the forecast external debt.

**Authorised Limit:** This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable or required in the longer term. This is set at £5m above the operational boundary.

**Prudential Indicator 3: External Debt**

Year	Forecast Borrowing £m	Forecast other long-term liabilities <sup>1</sup> £m	Less: Internal Borrowing £m	Forecast Total External Debt £m	Operational Boundary £m	Authorised Limit £m
As at 31 <sup>st</sup> March 2024 (actual)	0.347	0.516	0	0.863	2.0	7.0
As at 31 <sup>st</sup> March 2025 (forecast)	4.272	0.562	(3.947)	0.887	2.0	7.0
As at 31 <sup>st</sup> March 2026 (forecast)	20.891	5.984	(20.586)	6.289	9.0	14.0
As at 31 <sup>st</sup> March 2027 (forecast)	20.951	5.122	(20.586)	5.412	7.0	12.0
As at 31 <sup>st</sup> March 2028 (forecast)	20.936	4.258	(20.586)	4.533	6.0	11.0
As at 31 <sup>st</sup> March 2029 (forecast)	22.784	3.395	(22.444)	3.660	5.0	10.0
As at 31 <sup>st</sup> March 2030 (forecast)	26.514	2.531	(26.182)	2.788	4.0	9.0

1 Comprises the finance lease relating to Letchworth Multi-storey car park, Grounds Maintenance Vehicles / Machinery and Leased 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 (table 14). 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. This is reflected in the indicators set out as Treasury Indicator 4 below.

**Table 14**

Loan Type	Start date	Duration (years)	Maturity date	Amount Borrowed (£)	Balance Outstanding 31/03/25 (£)	Interest Rate (actual or forecast) (%)	Current Annual interest cost (£)
PWLB	08/01/49	80	Oct 2025	5,346	178	3.125	10
	16/09/49	80	Jul 2029	380	22	3.0	1
	10/05/46	80	Jan 2026	10,150	323	3.125	17
	12/11/48	80	Jul 2028	13,885	1,514	3.0	55
	01/10/65	60	Jul 2025	33,976	1,019	6.0	149
	05/07/66	60	Jan 2026	35,000	2,069	6.0	212
	02/08/66	60	Jul 2026	50,000	4,368	6.0	384
	18/03/68	60	Jan 2028	40,000	7,914	7.375	710
	03/01/69	60	Jul 2028	53,027	13,009	8.125	1,247
	06/03/70	60	Jan 2030	20,100	7,041	8.75	688
	24/11/70	60	Jul 2030	18,714	7,510	9.5	785
	26/01/71	60	Jan 2031	25,000	10,912	9.75	1,159
	05/03/71	60	Jan 2031	12,500	5,255	9.25	530
	05/03/71	60	Jan 2031	25,000	10,513	9.25	1,061
	31/05/46	80	Jan 2026	9,570	319	3.125	17
	28/02/47	80	Jan 2027	5,832	328	2.5	11
	18/10/46	80	Jul 2026	1,527	65	2.5	2
	20/02/48	80	Jan 2028	14,952	1,408	3.0	52
	22/09/50	80	Jul 2030	654	109	3.0	4
	27/08/82	60	Jul 2042	250,000	250,000	11.5	28,750
	07/12/45	80	Sep 2025	1,500	34	3.125	2
	16/09/49	80	Sep 2029	640	89	3.0	3
	20/03/53	80	Mar 2033	1,020	298	4.125	14
	23/10/53	80	Sep 2033	750	219	4.0	9
	20/11/53	80	Sep 2033	420	125	4.0	5
25/04/52	80	Mar 2032	480	126	4.25	6	
30/01/48	80	Sep 2027	1,560	123	3.0	5	
20/09/45	80	Sep 2025	16,690	553	3.125	34	
<b>Total</b>					<b>325,443</b>		

**Definitions:**

Refinancing Risk (or Maturity Risk): The risk that if all borrowing becomes due for repayment at the same time that this will be at a time when the costs for taking out new borrowing (refinancing) are very high.

To manage refinancing risk, the Council sets limits on the maturity structure of its borrowing. However, these indicators are set at a high level to provide sufficient flexibility to respond to opportunities to repay or take out new debt (if it was required), while remaining within the parameters set by the indicators. Due to the low level of existing borrowing, all the limits have a broad range. This is particularly necessary for the 'under 12 months' limit, to allow for cash-flow borrowing (if it was required).

#### Treasury Indicator 4: Maturity Structure of Fixed Interest Rate Borrowing

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

The Council does not place any restrictions on where it can borrow from. This is because the Council will hold the money and therefore there is not a risk around the security of the funds. In practice any borrowing is likely to come from the Public Works Loan Board, UK banks, UK building societies and other Local Authorities. All borrowing will be denominated in GBP Sterling. The decision on any borrowing will be made by the Chief Finance Officer and reflect the advice of the Council's treasury advisers.

The Council can enter in to borrowing arrangements at both fixed and variable rates. Variable rate borrowing has a greater risk and so therefore Treasury Indicator 5 limits the amount of borrowing that can be at a variable rate. To aid administration and monitoring, the limits are shown as £ values but are based on percentages of the Operational Boundary. Borrowing at fixed rates can be up to 100% (inclusive) of the Boundary, and variable rate borrowing can be up to 30% of the Boundary.

#### Definitions:

**Fixed Rate:** The rate of interest is set at the point the borrowing is taken out and remains at the same percentage rate for the full term of the loan.

**Variable Rate:** The rate of interest varies during the term of the loan and usually tracks prescribed indicator rate (e.g. Bank of England base rate)

#### Treasury Indicator 5: Fixed and Variable Borrowing Rate Exposure

Year	Operational Boundary relating to borrowing excluding long term liabilities £m	Limit on Fixed Rate borrowing £m	Limit on Variable Rate borrowing £m
2024/25	1.4	1.4	0.4
2025/26	3.0	3.0	0.9
2026/27	1.9	1.9	0.6
2027/28	1.7	1.7	0.5
2028/29	1.6	1.6	0.5
2029/30	1.5	1.5	0.4

There is a requirement for the Council to consider the proportionality of the income that it generates from its non-service (investment) assets and how this compares to any borrowing that is linked to those assets. Current and planned investment assets were detailed in table 3 and table 8. Treasury indicator 6 shows the capital value and expected income from these assets, alongside any borrowing that is attached to those assets and the expected cost of that borrowing.

The totals below are based on existing investment assets and estimates of the income that they are expected to generate. As there is no borrowing linked to investment assets, the expected annual borrowing costs are shown as zero.

**Treasury Indicator 6: Income from investment assets and the costs of associated borrowing**

Year	Capital value of investment assets £m	Expected annual income from investment assets £m	Total borrowing linked to investment assets £m	Expected annual borrowing costs for loans linked to investment assets £m
2025/26	28.906	1.554	0	0
2026/27	29.556	1.541	0	0
2027/28	31.556	1.541	0	0
2028/29	31.556	1.541	0	0
2029/30	31.556	1.541	0	0

Borrowing in advance of need

The Council would not borrow money in advance of need or at a low rate to try and reinvest that money to earn a higher interest rate, and profit from the margin between the two rates. However, the waste contract requires the use of vehicles that are provided by the contractor. The Council has taken the view that it receives the risks and rewards of those vehicle assets. Under accounting regulations, it is therefore required to treat this as a finance lease embedded within the contract. This requires the Council to recognise the vehicle assets as belonging to it, alongside a liability. The liability is effectively repaid through the contract sums over the seven years of the contract. For the new contract commencing in May 2025, it is better value for the Council to purchase the vehicles and avoid the financing costs that would be incurred by the contractor.

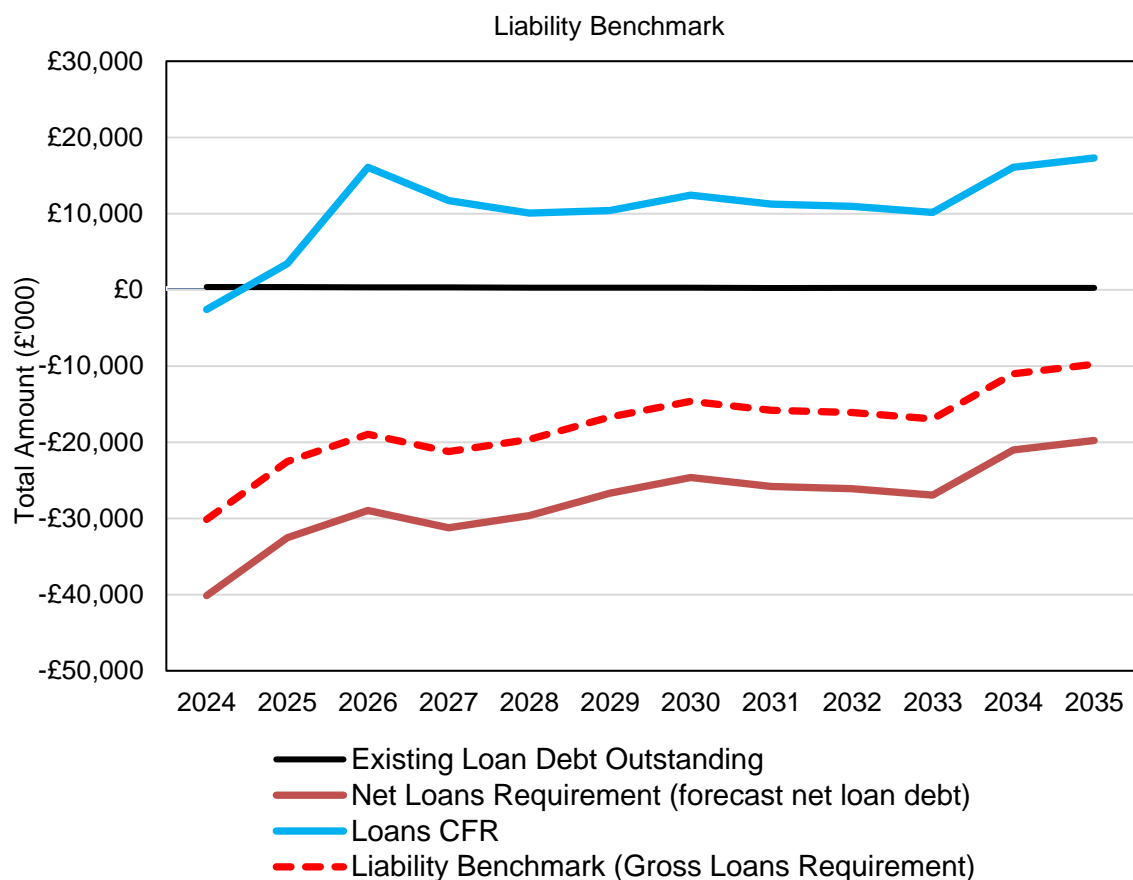
The extended definition of borrowing in advance of need now covers borrowing for capital investments where they are acquired purely to generate profit. The change to the PWLB rules also means that this borrowing cannot be accessed if there is any capital spend that is primarily to generate income, even if that spend was intended to be financed from reserves. The capital programme has been reviewed and there are no investments which have a primary purpose of generating income.

As part of the revised CIPFA Treasury Management Code and Prudential Code, Councils are required to adopt a Liability Benchmark (LB) treasury indicator to support the financing risk management of the capital financing requirement. The Authority is required to estimate and measure the LB for the forthcoming financial year and the following two financial years, as a minimum.

There are four components to the LB: -



1. **Existing loan debt outstanding:** the Authority's existing loans and their repayment over time (black line).
2. **Loans CFR:** this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on forecast capital spend and MRP charges (light blue line).
3. **Net loans requirement:** this will show the Authority's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
4. **Liability benchmark** (or gross loans requirement): this equals net loans requirement plus short-term liquidity allowance.



The Liability Benchmark is effectively the Net Borrowing Requirement of a local authority plus a liquidity allowance. In its simplest form, it is calculated by deducting the amount of investable resources available on the balance sheet (reserves, cash flow balances) from the amount of outstanding external debt and then adding the minimum level of investments required to manage day-to-day cash flow.

The purpose of this indicator is to compare the authority's existing loans outstanding (the black line) against its future need for loan debt, or liability benchmark (the orange line). If the black line is below the orange line, the existing portfolio outstanding is less than the loan debt required, and the authority will need to borrow to meet the shortfall. If the black line is above the orange line (as above), the authority will (based on current plans) have more debt than it needs, and the excess will

have to be invested. The chart therefore tells an authority how much it needs to borrow and when. It therefore shows that the Council does not need to take out any further external borrowing.

#### Minimum Revenue Provision

When the Council has a Capital Financing Requirement (CFR) it is required to make a charge to the General Fund (revenue budget) called a Minimum Revenue Provision (MRP). Subject to guidelines, the Council sets its MRP policy, which is detailed below:

#### **Minimum Revenue Provision:**

The Council is required to have a Minimum Revenue Provision (MRP) policy, and when required make charges to revenue in accordance with that policy.

The Council will use the asset life method. The MRP amount will be spread over the estimated life of the assets with no charge levied in the first year, in accordance with the regulations. The Council will apply one of the two approaches below based on the project(s) that the borrowing is used for and the benefits derived from the project(s).

- Equal instalments – The principal repayment made is the same each year.
- Or
- Annuity – the principal repayments increase over the life of the asset. This has the advantage of linking MRP to the benefits arising from capital expenditure, where these benefits are expected to increase over the life of the asset.

The Council has a need to borrow in 2024/25 if the Capital programme is fully spent (as at Q2 forecast there will be a small borrowing need but this may be eliminated if there is further slippage) and will therefore need to apply a Minimum Revenue Provision (MRP). The current capital programme is mainly spent on service provision. Therefore, it is considered appropriate to adopt an equal instalment MRP policy.

There is a prudential indicator that compares the net cost of financing (i.e. borrowing costs less income generated from investments) with the net revenue budget of the Council. This will be looked at later in this document after considering investments and their forecast returns. However, the indicator below considers the cost of borrowing as a % of the net revenue budget of the Council.

#### **Treasury Indicator 7: Cost of borrowing (interest and MRP) as a % of the net revenue budget 2024/25 to 2029/30**

Year	Estimated cost of borrowing (£m)	Forecast net revenue budget (£m)	Estimated cost of borrowing as a % of net revenue budget (%)
2024/25	0.036	19.588	0.2
2025/26	0.436	22.792	1.9
2026/27	1.868	21.852	8.6
2027/28	1.861	21.162	8.8
2028/29	1.661	20.448	8.1
2029/30	1.538	19.820	7.8

## Part 5- Investment Strategy

Based on the assumptions above the following available investment balances are assumed. This includes a forecast of revenue reserves, capital reserves, capital financing requirement and external borrowing (table 15).

**Table 15**

Balances	Brought forward (at 31/3/24)	Forecast balance at year end (£000)					
		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Revenue balances (including MRP added back)	34,553	36,126	30,158	29,444	28,012	27,107	26,902
Capital Receipts	2,331	0	0	0	0	0	0
Capital Grants Unapplied	899	899	186	186	186	186	186
Add: Long-term liabilities <sup>1</sup>	516	562	562	562	562	562	562
Less: Capital Financing Requirement	-2,583	3,853	20,585	20,585	20,585	22,443	26,181
Less: Borrowing repayments	20	21	20	15	15	10	8
<b>Total forecast of available for investment</b>	<b>40,862</b>	<b>33,713</b>	<b>10,301</b>	<b>9,592</b>	<b>8,160</b>	<b>5,402</b>	<b>1,461</b>

1 The net position of money owed by the Council or to the Council can lead to increased or decreased cash available for investment. The Council has previously capitalised the cost of waste vehicles which had created a liability which varied over time. Under the new contract the Council will fund the vehicles up-front, in return for a lower contract cost. This means that there will now be no material variations in the liability balance.

The Council needs to consider the following in determining how long it will invest any surplus cash for:

- The period that any particular cash balance is available for. If a balance is expected to be available over a long period then it is possible to invest it over a long period.
- How much might be required to cover short term variations in cash. For example, it could be forecast that the cash at the start and end of the month will be the same. But if there is a need to pay out half that cash at the start of the month before getting an equivalent amount just before the end, then there is a need to plan.
- The risk of investing for longer periods as it increases the chance that the counterparty could have financial problems and therefore not pay back the principal invested and/ or the interest due.
- The risk of investing for longer periods as it could lead to a lost opportunity. If the investment is at a fixed rate and then there is a general rise in rates available (e.g. due to an unexpected Bank of England base rate rise) then it would not be possible to take advantage of the new improved rates until the investment matures.

Before considering where the Council will invest any surplus cash in treasury investments, it firstly needs to consider any loans that it may want to make for other purposes. A local authority can choose to make loans to local enterprises, local charities, wholly owned companies and joint ventures. These loans can relate to service provision or to promote local economic growth. These loans may not seem prudent when considered purely in relation to security and liquidity. Table 16 details current and planned loans and shows the reasons for these loans, how their value is proportionate, the risk of loss and credit control arrangements that are in place.

**Table 16**

<b>Loan</b>	<b>Amount</b>	<b>Reason for Loan</b>	<b>Proportionality of value</b>	<b>Expected Credit Loss model and credit control</b>
Building Control	Currently £107k, provision for it to increase up to £172k	To support the formation of the company. The Council is also a shareholder in the company, owning 1/8 <sup>th</sup> of the shares.	Insignificant in the context of overall cash balances.	Regular monitoring of financial forecasts and business plans. The continuation of the company to provide Building Control services is more significant than the value of the loan.
Wholly owned Property Company	Up to £50k, current loan £20k	The loan is used for cashflow purposes to enable the company to become established.	As above.	As the loan is just for cashflow purposes it is unsecured. The Council receives regular reports on lettings performance which is the key indicator of company performance.
Stevenage Leisure Ltd	£308K	To purchase Technogym Equipment, which enables the provision of fitness activities at the Leisure Centres.	As above.	The Covid-19 pandemic affected the financial performance of SLL, and a repayment holiday was agreed. Whilst SLL returned to paying a full management fee during 2023/24, they have not been able to make loan repayments. As at the end of the contract in March 2024 the loan remained unpaid and SLL went in to liquidation in July 2024. The liquidation is still in progress. As at 31 <sup>st</sup> March 2024 there was a bad debt provision of £158k.  There are other transactions and accrued amounts (both positive and negative) that need to be resolved through the liquidation process.

When the Council invests its surplus cash, it seeks to find reliable counterparties to ensure that the amount invested (and the interest earned) is returned. The Council has decided that it is prepared to take on a higher level of risk than recommended by its treasury advisers in relation to unrated Building Societies and the duration of its investments. This risk is mitigated by reviewing published information in relation to unrated Building Societies (i.e. "Pillar 3" reports). Whilst the Council has in the past been fairly highly exposed to Building Societies, it has rebalanced this exposure during the last couple of years to make greater use of other investment types.

The following criteria are used to determine the list of counterparties:

- UK Local Authorities- as they are able to raise additional funds from taxation
- UK Government- Debt Management Office provides highly liquid investments at the lowest risk as backed by the UK Government
- UK Banks and Building Societies with a Fitch Credit rating of BBB (long-term)/ F3 (short-term) or greater- as they have been subject to UK 'stress tests' and also have a high credit rating
- Part-nationalised UK banks- as they have been subject to UK 'stress tests' and the UK government has an increased interest in not allowing them to fail.
- The Council's own banker (Lloyds) that it uses for transactional purposes. Although if its credit rating falls below BBB then any balances will be kept to a minimum (i.e. for cashflow purposes only)
- Non-UK banks with a UK subsidiary that have a Fitch Credit rating of BBB (long-term)/ F3 (short-term) or greater, and are subject to the same stress tests as UK banks
- Non-UK banks where the Country has a AA- rating and the institution has an A+ and above rating. The Service Director: Resources will exclude any countries with concerns over Governmental, Social and Human Rights issues.
- Unrated UK Building Societies- as organisations have to pay to obtain a rating; most Building Societies do not get one. They do produce annual reports known as Pillar 3 reports, and these will be used to assess their credit worthiness. Furthermore, the Council will only invest in Building Societies that have assets of at least £300m, which limits the potential exposure.
- Money Market funds that are AAA rated.
- Property funds that hold property within the UK.
- Ultra Short Dated Bond Funds- These funds invest in fixed income instruments with very short maturity dates, usually up to one year. This generally provides better returns than money market funds. Whilst this does introduce some capital risk, this is minimised by the short-term nature of such investments. Where AAA rated.
- Multi-asset Funds- These funds invest in a variety of assets including equities, bonds and cash and can be spread over a broad range of strategies, styles, sectors and regions. Risk is diversified by the spread of investments held.

All investments will be denominated in Sterling.

The Council will seek to appropriately diversify its investments across a range of types and counterparties. This means that if there were any security or liquidity issues with a particular type of investment or counterparty, the Council would still have access to the majority of its funds. The limits are initially based on a percentage of total funds but are converted to actual values to make the administration of investments more efficient. The values are calculated by applying the percentages to the expected average balance during the year (2025/26)\* and then rounded up to the nearest £1m. If these limits are set too low then it limits the investment opportunities available and also increases the administration as there is then a need to find more places to invest available funds. Given the significant expected decrease in funds during the year, the percentage limits have been set lower than last year (the previous percentages are included as a comparison). The limits are shown in table 17 below.

\* This is the balance taken from table 15 above of the average closing balance 24/25 and 25/26  
£22m

**Table 17**

<b>Investment Type</b>	<b>Max. amount in type of investment (£m)</b>	<b>Maximum amount in group (£m)</b>	<b>Maximum amount with any individual counterparty (£m)</b>	<b>Rationale and details</b>
Debt Management Office (UK Government)	No limit			Short-term investment with UK Government that is therefore the lowest possible risk
UK Local Authorities	No limit	n/a	3	10% (previously 15%) with any one counterparty, no limit on total with Local Authorities due to tax raising powers
UK Banks and UK subsidiaries of foreign banks that are subject to the same stress tests as UK banks (excluding Lloyds current account)- includes Deposits and Certificates of Deposit	11	4	3	Rating F3 or above (short-term) or BBB or above (long-term) and part nationalised banks. 10% with any one counterparty, 15% with institutions in the same banking group, 50% (previously 60%) with banks in total
Combined Lloyds Current Account and Call Account		n/a	5	Used for cashflow purposes
Non-UK banks- includes deposits and Certificates of deposit		4	3	AA- or above Country rating and A+ or above institution rating. Maximum of 10% with any one counterparty. Maximum of 15% (previously 20%) in non-UK banks.
UK Building Societies- assets of £300m to £1bn	n/a	11	1	Review of Pillar 3 reports and KPMG report on comparative profits. 10% with any one counterparty subject to maximum of £1m. Maximum of 50% (previously 60%) with UK Building Societies and Property Funds combined.
UK Building Societies- assets of over £1bn			2	As above, but £2million
Rated UK Building Societies			3	Rating F3 or above (short-term) or BBB or above (long-term). 10% with any one counterparty.
UK Property Funds	1		1	Due to long-term nature of investment 10% of 2029/30 year end cash balance to be invested in any one fund or combination of funds. No durational limits.
Money Market Funds	3	n/a	2	AAA rated. Maximum of 10% (previously 20%) in MMFs and 5% (previously 10%) with any one fund.
Ultra-Short Dated Bond Funds	2		1	AAA rated. Maximum of 5% (previously 10%) in USDBFs and £1M with any one fund.

UK Multi-Asset Funds	1		1	Due to long-term nature of investment 10% of 2029/30 year end cash balance to be invested in any one fund or combination of funds. No durational limits.
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The Council will primarily limit its liquidity risk by only investing money until it thinks it will next need it. On top of this it will also have a general limit on investments that are greater than 1 year (365 days). This limit is based on 25% of total investments but is again reflected as an absolute value of **£6m**, which is based on 25% of the expected average level of balances during the year (rounded up to nearest £1m). Investments with a set term of greater than 2 years will be subject to approval by the Chief Finance Officer, which will include a consideration of how much the investment will be as a percentage of total funds at the date it matures. It will be ensured that this is less than 25% of the estimated balance. No fixed investment term will exceed 5 years.

Investment funds (money market funds, multi-asset funds and property funds) do not have a set term and funds can be requested to be withdrawn at any time. Investment balances will be kept under review to ensure that they do not exceed the maximum amount set by this or subsequent treasury strategies. However, there is no time limit on the period that funds can be held invested for. For property funds there are both up-front set up and exit costs. Furthermore, the capital value of these funds also fluctuates over time. So, whilst in general it is possible to exit these funds at any time, there are likely to be more optimum times to do so. Therefore, it is expected that the period of investment could exceed 5 years. For multi-asset funds, the capital value of these funds also fluctuates over time. So, whilst in general it is possible to exit these funds at any time, there are likely to be more optimum times to do so. Therefore, it is expected that the period of investment could exceed 5 years.

Within the investment market, the opportunity for ‘green’ and ESG (environmental, social and governance) investments is starting to emerge. However, they can be more difficult to access. In some cases these can offer returns that are similar to, or the same as, non-green/ ESG alternatives for the same level of risk. Subject to these investments being compliant with other aspects of the treasury strategy (including simplicity of dealing with the institution and any minimum investment values), then these investments will be prioritised over non-green/ ESG alternatives.

Where the Council makes use of credit ratings these will be assessed immediately prior to placing an investment. The Council then receives alerts whenever ratings change and will monitor these alerts to see if an investment has fallen below the minimum criteria. For fixed term investments, it generally will not be possible to do anything in relation to a rating change. Although for a significant drop, enquiries will be made as to the exit costs involved. If these are not significant then the Council will end the investment early. For open term investments, the Council will seek to disinvest, although it will consider any exit costs.

There is a link between the interest rates that the Council can expect to achieve on its investments and the Bank of England base rate. Our treasury advisors (MUFG) have provided the following forecasts of base rates over the next 3 years. Using this and the investment limits above, we have estimated an average interest rate that the Council will achieve on its investments in each year.

**Table 18**

Year	Forecast of Bank of England Base Rate as at end of the year (%)	Forecast of average interest earned on investments (%)
2025/26	3.75	4.00
2026/27	3.5	3.625
2027/28	3.5	3.50

The 2027/28 rate is then used for investments in subsequent years.

Combining these average interest rates with expected balances, gives a forecast of the interest that will be earned in each year. Although the Council has retained the option to invest in longer term Property and Multi-asset funds, these type of investments are unlikely to happen so have not been assumed in calculating the forecast interest returns.

**Table 19**

	2025/26	2026/27	2027/28	2028/29	2029/30
Forecast of average balance available for investment (£m)- short to medium term	22	10	9	7	4
Forecast of interest earned (£m)	0.825	0.362	0.322	0.259	0.144
Current interest assumed in the revenue budget.	0.606	0.464	0.265	0.187	0.187

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.

**Prudential Indicator 8: Forecast of Financing Costs as a percentage of net revenue budget**

Year	Cost of borrowing £m	Less: Forecast of interest earned £m	Net Financing costs £m	Net Revenue Budget £m	Financing Costs as a % of Net Revenue Budget £m
2024/25	0.036	2.797	-2.761	19.588	-14.1
2025/26	0.436	0.825	-0.389	22.792	-1.7
2026/27	1.868	0.362	1.506	21.852	6.9
2027/28	1.861	0.322	1.539	21.162	7.3
2028/29	1.661	0.259	1.402	20.448	6.9
2029/30	1.538	0.144	1.394	19.820	7.0



## **Part 6- Overall Risk Considerations**

The risk exposures for each of the elements of this strategy are generally independent, and therefore can be considered in isolation.

The Council's investments assets generally comprise of ground leases on commercial properties that are all within North Hertfordshire. A property fund generally invests in building (and land) assets that provide higher yields, and also diversifies across the United Kingdom. They also currently tend to focus on industrial, warehouses and office buildings. This means that there is limited cross-over in risk exposure, and before investing in a property fund (current investments are zero) the Council would review the current investments of the selected fund. Furthermore, this strategy limits any investment in a property fund to a maximum of £1m.

## **Part 7- Glossary**

A number of definitions are included in the strategy when they are first referenced. These are not duplicated here. This part provides a list of other terms used in this report, as well as those used in the statutory guidance.

**Borrowing-** a written or oral agreement where the Council temporarily receives cash from a third party (e.g. a Bank, the Public Works Loan Board or another Local Authority) and promises to return it according to the terms of the agreement, normally with interest.

**Investment:** This covers all of the financial assets of the Council as well as other non-financial assets that the Council holds primarily or partially to generate a profit; for example, investment property portfolios. This will include investments that are not managed as part of normal treasury management processes or under treasury management delegations. Furthermore, it also covers loans made by the Council to one of its wholly-owned companies or associates, to a joint venture, or to a third party. The term does not include pension funds or trust fund investments, which are subject to separate regulatory regimes.

Within this strategy, the term investment is used in the following contexts:

- Capital investment- expenditure to acquire or improve a capital asset.
- Investment properties- assets that are held for the purpose of generating an income.
- Cash/ treasury investments- the cash that the Council has, which is made up of revenue reserves, capital reserves and the effects of cashflow timings. These amounts are invested to manage the risks of holding cash and to generate investment income.

**Financial investments:** These are made up of Cash/ Treasury investments and loans. This term is defined within the statutory guidance (as specified investments, loans and unspecified investments) but has not been directly used in this strategy. Part 5 of the Strategy is focused on these investments.

**Specified Investment:** These are essentially short-term Cash/ Treasury investments. To be a specified investment, it needs to meet the following criteria:

- The investment is denominated in sterling and any payments or repayments in the respect of the investment are payable only in sterling.
- The investment is not a long term investment. This means that the local authority has contractual right to repayment within 12 months, either because that is the expiry term of the investment or through a non-conditional option.
- It is not capital expenditure.
- The investment is considered to be high quality or is with the UK Government, another Local Authority or a Parish/ Community Council.

**High Quality investment:** These are investments (specified and non-specified) which are assessed on the priority basis of security, liquidity and yield. Where relevant they make use of relevant additional information, such as credit ratings. The investments set out in part 5 are considered by the Council to be 'high quality'.

- The investment is denominated in sterling and any payments or repayments in the respect of the investment are payable only in sterling.
- The investment is a long term investment. This means that the local authority has contractual right to repayment in greater than 12 months.
- It is not capital expenditure.

- The investment is considered to be high quality or is with the UK Government, another Local Authority or a Parish/ Community Council.

**Unspecified investment:** In the statutory guidance, these are financial assets that are not specified investments or loans. This creates a circular definition. The Council considers that they meet the following definition:

**Loan:** a written or oral agreement where the Council temporarily transfers cash to a third party, joint venture, subsidiary or associate who promises to return it according to the terms of the agreement, normally with interest. This definition does not include a loan to another local authority, which is classified as a specified investment. The Council will meet the following conditions when providing such loans:

- Total financial exposure to these type of loans is proportionate;
- An allowed “expected credit loss” model has been used as set out in Accounting Standards
- Appropriate credit control arrangements are in place to recover overdue repayments; and
- The total level of loans by type is in accordance with the limits set out in this Strategy.

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Appendix G: Revenue Investments: Details of Statutory Services and implications of not investing

Service Directorate	Reference	Description of Proposal	Statutory Service?	Implications of not investing
Customers	R1	Careline Service staffing costs. Increase in management and administrative capacity through the replacement of provision for two admin officer roles with provision for two senior administrator posts. The investment will both enhance business resilience and facilitate the expansion of the service as it takes on new clients from outside of Hertfordshire, with the associated additional administration involved.	No	Limits the ability to extend the service to support more clients and generate income.  The spend is offset partly by the £35k additional income (reference E1).
Customers	R2	Maintenance and support costs associated with the capital proposal to purchase 25 laptops that are outside of the Windows environment for disaster recovery (DR) purposes. This may be replaced by an option to lease the equipment if a DR event that affects IT access takes place.	Yes	In the event of a successful cyber attack, would slow down how quickly we could start at least providing some services (with focus on statutory services).
Enterprise	R3	Economic Development Officer. Budget is requested for the shared post with East Herts District Council to continue in 2025/26 to deliver work associated with the new Commercial Strategy, which aims to support economic growth and engagement across the District, and the oversight of the Shared Prosperity Funding stream.	No	Would significantly limit the delivery of the Commercial Strategy. Oversight of the UK SPF would have to be picked up by another Officer, and risk that wouldn't effectively use all the funding available.
Housing & Environmental Health	R4	Reinstatement of the part time posts of Empty Homes Officer (0.5 FTE) and Housing Grants Officer (0.5FTE) and the full time Air Quality Officer position to the Council's permanent staffing establishment. These posts were deleted as part of a restructure in 2023/24 to release resource to meet other urgent staffing priorities. The requested reinstatement of these roles will enable the delivery of essential work to address empty homes in the district and to develop and support an air quality strategy in line with our climate emergency and the upcoming challenges to be faced regarding the proposed Luton Airport expansion.	No	The work detailed could not take place.

Appendix G: Revenue Investments: Details of Statutory Services and implications of not investing

Housing & Environmental Health	R5	Creation of a part-time (0.5 FTE) Private Water Supply Officer (PWSO) post for the Environmental Health Commercial Team. The PWSO would support the existing Private Water Supply Scientific Officer in delivering the increased workload caused by the imposed changes to statutory guidance and water quality requirements and would also increase service resilience in this area.	Yes	Would not be able to deliver the service to the required statutory level.
Housing & Environmental Health	R6	Recruitment of an additional fully qualified Environmental Health Regulatory Officer into the Environmental Protection & Housing Team on a 4 year fixed-term contract to provide senior experience and higher competency whilst the technical officers progress through their training. The post will also provide cover/resilience for the other Senior Officer in this service in the event of unplanned additional work, as has been the case with the Baldock Industrial Estate fire, funeral homes inspections, and health and safety accidents/incidents.	Yes	Would not be able to deliver the service to the required statutory level.
Housing & Environmental Health	R7	Recruitment of an additional Senior Environmental Health / Food Officer in the Commercial Team, on a 4 year fixed-term contract, to accommodate the increased pro and reactive workload, including the additional food inspections required, and the additional Health & Safety interventions necessary for the service to achieve and maintain this legally required competency.	Yes	Would not be able to deliver the service to the required statutory level.
Housing & Environmental Health	R8	Permanent budget provision for an additional Environmental Health Regulatory Officer in the Commercial Team, initially at a junior level to support the senior officers in undertaking essential roles, including the food sampling programme and the assessment of those food businesses classed as lower concern. The officer would also provide advice to new businesses following the increase in new food registrations seen over recent years.	Yes	Would not be able to deliver the service to the required statutory level.

Appendix G: Revenue Investments: Details of Statutory Services and implications of not investing

Housing & Environmental Health	R9	Year 4 funding for the Environmental Health Apprentice, which is a fixed term four-year post. Unspent salary budget (due to grant funding received) of £100k was identified at the end of 2023/24 and earmarked to cover the costs of the first three years of the apprenticeship. This request is for year 4 funding for the apprentice to complete the four year course.	No	This budget helps to future-proof the service as part of “grow our own” strategy.
Housing & Environmental Health	R10	Environmental Health service staffing costs. In light of recruitment issues in this service area and to facilitate the strategy agreed earlier this year, it is proposed to standardise the six existing technical officer posts to a career graded Environmental Health Regulatory Officer job profile. The plan is to recruit unqualified individuals and develop them into fully qualified officers over time. The additional investment reflects the higher than existing pay grades officers can progress through to as they complete their training and gain professional accreditation. While the maximum additional annual cost from this proposal is estimated at £86k, investment values reflect the anticipated additional cost over the next five years based on the current staffing position.	No	This budget helps to future-proof the service as part of “grow our own” strategy. Without this budget it is unlikely that we will keep our trainees and even if they stay, they will not be qualified to perform the statutory role.
Housing & Environmental Health	R11	Environmental Health service training costs. To support the development of the proposed Environmental Health Regulatory Officers, the provision of additional dedicated training and development budget. The budget will cover annual training costs of approximately £3,000 per officer.	Yes	May not keep up with statutory requirements and best practice.
Housing & Environmental Health	R12	Housing Service staffing expenditure. Replacement of the existing fixed term contract for the Housing Register and Accommodation Officer (Refugee Support) with a permanent contract of employment, with the post added to the permanent staffing establishment. The balance held in the refugee project earmarked reserve can support this post for at least the next seven years, at which point the housing team structure will be reviewed. In the meantime this proposal will offer more security to both the employee and the housing team.	Yes	Post is less attractive as a fixed term contract, current postholder may leave and could be difficult to recruit a replacement.

Appendix G: Revenue Investments: Details of Statutory Services and implications of not investing

Housing & Environmental Health	R13	Community safety expenditure. Introduction of a crime prevention budget to contribute to, and attract, matched funding from community safety partnership partners such as the police, housing providers and the county council. It is anticipated that the resource will allow small scale, upstream interventions to prevent antisocial behaviour and crime from escalating.	No	Lose the opportunity to target issues early, and get the benefits of match funding. May escalate to longer term issues.
Legal & Community	R15	Healthy Hub project expenditure. Budget is requested to cover the shortfall on the salary cost of the Health & Wellbeing Hub Coordinator in 2025/26 and 2026/27 and to ensure effective community wellbeing interventions continue to be delivered across the district tackling food poverty, poor emotional wellbeing, low levels of physical activity, social isolation and loneliness. Herts County Council have part funded the North Herts Healthy Hub since 2019. The current MOU ends in March 2025 and HCC have announced £35k of funding for 25/26 and 26/27. <b>Forecast shortfall in 25/26 proposed to be funded from the carry forward of unspent staffing cost budget in 2024/25</b>	No	May lose the Officers that provide this service if not able to provide any certainty over funding. Mostly funded by HCC, although scope of that funding is changing to focus on covering their statutory service requirements.  Provides positive early intervention.
Legal & Community	R17	Introduction of a permanent career graded Policy and Strategy Officer post to replace the existing fixed term trainee role, which has to date been part funded from contributions from the Climate Change earmarked reserve. Grade progression would be dependent on completion of relevant training at first diploma and then degree level. The proposal will increase the scope, range, and ability of the Policy & Strategy team to support NHC officers, North Hertfordshire residents and district wide partnerships. The Team is becoming involved in more partnership work across the district (e.g., Herts Climate Change and Sustainability Partnership and associated subgroups, Equality and Diversity Networks) and corporate governance matters (the production of the Annual Governance Statement, associated Local Code of Governance and cumulative equality and environmental impact assessments). The permanence of this role will ensure that these obligations can be discharged to a consistent standard. Investment value reflects the maximum additional cost of this proposal and includes the removal	Partly	Would limit the ability of the team to provide the wide range of support that is described. Some of that support is a statutory requirement.



Appendix G: Revenue Investments: Details of Statutory Services and implications of not investing

		of the budgeted contribution from reserve when the reserve balance reduces to zero.		
Managing Director	R18	Leadership team restructure. Make permanent the seventh Service Director post, with realignment of responsibilities across the seven roles. This would be subject to consultation with affected staff and separate Full Council approval of the revised structure. This can in effect be part funded by the salary inflation provision for 2024/25 that wasn't all required.	Partly	Limits the ability to provide strategic leadership and support the delivery of our services. The additional capacity includes a focus on some statutory service areas.
Place	R19	Permanent budget provision for the Climate Change and Sustainability Manager role, which is currently funded on a fixed term basis until September 2026. The post will be necessary to help the Council make progress on its sustainability priority and net zero targets in future years.	No	Would significantly limit our ability to deliver on our Climate Change strategy and sustainability priority.
Place	R20	Swimming pool tiling repairs at North Herts Leisure Centre. Annual underwater pool surveys are carried out to identify repair works and ensure they meet current Health & Safety legislation. Recent surveys carried out by Everyone Active have identified extensive grout works within the pool tanks required to ensure they remain in good condition. Investment value reflects current estimated cost of repairs required.	No	Failure to meet Health & Safety requirements. May lead to pool closures which would reduce management fee income.
Place	R21	Swimming pool tiling repairs at Hitchin Swim Centre. Annual underwater pool surveys are carried out to identify repair works and ensure they meet current Health & Safety legislation. Recent surveys carried out by Everyone Active have identified extensive grout works within the pool tanks required to ensure they remain in good condition. Investment value reflects current estimated cost of repairs required.	No	Failure to meet Health & Safety requirements. May lead to pool closures which would reduce management fee income.
Place	R22	Swimming pool tiling repairs at Royston Leisure Centre. Annual underwater pool surveys are carried out to identify repair works and ensure they meet current Health & Safety legislation. Recent surveys carried out by Everyone Active have identified extensive grout works within the pool tanks required to ensure they remain in good condition. Investment value reflects current estimated cost of repairs required.	No	Failure to meet Health & Safety requirements. May lead to pool closures which would reduce management fee income.

Appendix G: Revenue Investments: Details of Statutory Services and implications of not investing

Place	R23	Repairs and maintenance at Ransoms Rec, Hitchin. Following receipt of a number of complaints about the lighting and condition of this busy footway, repairs to the lighting and footpaths are required to ensure continued public safety.	No	More complaints over the condition and impact on public safety. May eventually become dangerous and require greater repairs at a later date.
Place	R24	Repair and maintenance of Letchworth War Memorial. Current condition of the existing memorial is tired and in need of refurbishment.	No	Condition would get worse over time.
Place	R25	Repair of the balancing pond at Purwell Meadows, Hitchin. The balancing pond on the local nature reserve is now silted up and does not function as it should.	Yes	May contribute to flooding and as landowner we have a responsibility to prevent flooding.
Place	R26	Waste contract client team staffing expenditure. Net cost of recruitment of two temporary full-time Mobilisation Contract Officers (one of which will be funded by East Herts DC) to support the mobilisation of the new waste and recycling services for up to 6 months, as originally proposed in the report to Cabinet in October 2022.	Yes	Likely to cause issues with implementing the new contract and associated service changes.
Place	R27	Addition of a new part-time (0.5 FTE) Commercial Waste Officer post to the Council's permanent staffing establishment. As originally proposed in the report to Cabinet in October 2022, the new role would support the implementation of Commercial Food Waste Collections, commercial clinical waste collections and evolve and develop the Commercial Waste and Recycling business. Half of the cost of the post will be funded by East Herts, with the aim for this post to be self-funding within 3 years.	Yes	May not be able to deliver the new requirements for commercial waste collections. May miss out on income as a chargeable service.

Appendix G: Revenue Investments: Details of Statutory Services and implications of not investing

Place	R28	Net cost (after East Herts 50% contribution) of recruitment to a six month temporary full time post that will be responsible for fixing issues which arise with containers, as detailed in the report to Cabinet in December 2023. This staff member would be issued with a van and would assist with container swaps, delivery of ad hoc missing containers, stickering containers and resident run throughs to help residents adjusting to the change. Investment estimate includes box van vehicle hire costs for 4 months.	Yes	Likely to cause issues with implementing the new contract and associated service changes.
Place	R29	Provision of Hydrogenated Vegetable Oil (HVO) fuel for the waste, recycling and street cleansing service vehicles. Based on the annual requirement for 280,000 litres, the additional cost is anticipated to be 12% higher than diesel and this cost is outside the provision of the waste contract. The use of HVO reduces CO2 emissions by approximately 90% in comparison to diesel, thus significantly reducing the carbon impact of the service. Investment value is based on the provision of 100% HVO, but HVO can be blended in proportions of 10% increments with diesel and this provides directly proportionate cost impacts and carbon savings (e.g. opting for 50% HVO would halve both the investment value and the carbon emission saving).	No	Would require use of diesel instead which has higher carbon emissions.
Place	R30	Commissioning of a waste compositional analysis (WCA). The last was completed in 2021 and is periodically completed to inform the Council of the effectiveness of recycling services. WCA will be a requirement of the data provision from Extended Producer Responsibility Funding (EPR) and undertaking a composition in late 25/26 will allow us to assess the effectiveness of the new services in comparison to the previous composition in 2021. The Hertfordshire Waste Partnership will collectively procure on behalf of the districts and boroughs to provide a wider Hertfordshire analysis for comparison.	Yes	Failure to meet the EPR requirements. Would not have the information we need to target our campaigns to improve recycling rates.

Appendix G: Revenue Investments: Details of Statutory Services and implications of not investing

Place	R31	Provision of a comprehensive communications plan to support the roll out of waste and recycling service changes, as detailed in the previous Cabinet report of 9 July 2024. Costs are estimates and will vary depending on the number of collection day changes and the confirmation of costs following procurement.	Yes	Likely to cause issues with implementing the new contract and associated service changes.
Place	R32	Provision of a mobile application for residents to support the waste and recycling service provision. The app would provide service and collection updates via push notifications to those residents subscribed to the app, as well as look up functionality regarding collection days and options for recycling. The additional 'reporting' functionality via the app would also support the CRM. The app would have capabilities to be expanded to a wider range of council services including planning.	No	Resident may not know what bins to put out each week.
Place	R33	Storage of wheeled bins during mobilisation of new waste and recycling services. This will be required for a period of around 3 months. Site security and or rental may be required during this period once a site has been identified.	Yes	Likely to cause issues with implementing the new contract and associated service changes.

Appendix G: Revenue Investments: Details of Statutory Services and implications of not investing

Regulatory	R34	<p>Permanent budget provision for the Principal Planning Officer and career graded planning officer posts. Fixed term budget provision of five years for these posts was previously approved by Council to lead and support work on the Local Plan review. Cabinet resolved in January 2024 that the review of the Local Plan should be undertaken and initial work is ongoing. A further report to Cabinet in January 2025 will set out a proposed timetable for the key stages. Following the change of Government there is uncertainty over the regulatory framework and timeframe over which the Review will be undertaken. It is already anticipated that it will extend beyond the period for which these posts are funded, with funding for the Principle Planning officer ending in June 2027 and the funding for the Planning Officer post ending in July 2028. These posts are also involved in delivering a range of other planning activities which will continue regardless of, and beyond, the Review programme including Neighbourhood Planning, monitoring, supporting strategies, the Chilterns National Landscape Review and joint strategic planning work with neighbouring authorities.</p>	Yes	<p>Would not be able to carry out the Local Plan review within the timetable adopted by Cabinet. Other work streams as detailed would also be delayed.</p>
Regulatory	R35	<p>Planning service staffing expenditure. Increase in management and oversight capacity through the uplifting of one existing post into a team leader role. There are currently 46 planning posts arranged under three service managers and five team leader / principal roles. Some team leaders are now responsible for a large number of staff working across a wide range of disciplines, complex professional projects and / or substantial case loads.</p>	Yes	<p>May increase number of leavers if roles are felt to be undeliverable. These posts are hard to fill due to national shortages and ability to move to private sector.</p>
Regulatory	R36	<p>Recruitment of an additional Transport Officer for a fixed term of five years to; assist the Senior Transport Officer with the delivery of various transport projects emerging from the adopted Local Plan, the Growth Transport Plan and the Local Cycling and Walking Infrastructure Plan; to assist with the review of transport policies relating to the Local Plan review; to allow the Senior Transport officer to lead and input on transport initiatives associated with masterplanning for strategic site allocations in the Local Plan and to focus on key strategic transport projects working together with Herts County Council.</p>	No	<p>Would deliver fewer transport projects in line with the Council Plan each year as current capacity is not sufficient. May also increase the risk of retention given the current existing officer capacity</p>

Appendix G: Revenue Investments: Details of Statutory Services and implications of not investing

Regulatory	R37	Planning Control IT expenditure. The procurement of Agile AI, an Artificial Intelligence Planning Validator System which operates as an interface between the national Planning Portal and Council IT systems to reduce the manual workload with the checking and validation of planning applications. It reduces validation timescales by up to 65% leaving officer time to concentrate on other matters and improve planning performance. County-wide procurement currently being investigated under the guidance of HIPP and the Growth Board. Costs may be recoverable through planning fees if there was the ability to set fees at a break-even level.	No	Would not be able to take advantage of the efficiency and increased customer service that could be achieved.
Regulatory Page 254	R38	Planning Control IT expenditure. The installation of Idox Insights, a Uniform add-on that allows real-time access to information that would enable the Development & Conservation Manager to view performance to ensure alignment with performance targets for applications and appeals and gain access to data to enable more reliable and insightful decision-making. It will enable Team Leaders to review in real time the caseload and capacity of officers, easily identify bottlenecks that require attention and thereby improve performance. It allows case officers to prioritise effectively and handle workload efficiently through reducing the burden of administration. Costs may be recoverable through planning fees if there was the ability to set fees at a break-even level.	Yes	Would not be able to use the information to help support improved performance.
Regulatory	R39	Additional budget provision for specialist planning advice. The planning service requires specialist, qualified technical advice on key disciplines to inform decisions, the assessment of heritage impacts of development relating to matters such as archaeology, scheduled monuments and other heritage assets as well as reviews of conservation areas. The advice might take the form of an additional establishment post and most of the funding would come from the overspend that has already been reported from increase in fees from HCC to undertake some of this work.	Yes	Would not be able to carry out all the required work in relation to planning applications. May have to use consultants which would cost more.
Customers	R40	Two factor authentication to allow access to Staff and Councillors to access our IT environment. Previously a capital cost but has been moved to revenue as amount is now much lower.	No	Failure to protect our IT environment increases the chance of successful cyber attacks.

Appendix G: Revenue Investments: Details of Statutory Services and implications of not investing

Place	R41	Mobilisation of the new waste contract. All tenders were asked to provide separate costs for the mobilisation of the contract and implementation of service changes. These were evaluated as part of the contract award. These costs will be met from the waste reserve, so no General Fund impact. The remainder of the reserve will be a contribution towards the vehicle costs.	Yes	This was part of the bid from the contractor that provided the most economically advantageous tender, so we are required to honour it.
Housing & Environmental Health	R43	Local Authority Domestic Abuse Duty. The Domestic Abuse Act 2021 placed new duties on local authorities across England to ensure that victims of domestic abuse and their children can access the right support in safe accommodation when they need it. The New Burdens grant funding received in 2023/24 and 2024/25 has now been rolled into the Settlement funding for 2025/26. The financing of this expenditure in 2025/26 is therefore included as an additional amount to the Council funding total.	Yes	Would fail to meet the Duty in the Domestic Abuse Act.
All	R44	Changes to the Class 1 National Insurance Contributions Secondary Threshold and the Secondary Class 1 National Insurance contributions rate from 6 April 2025. The Secondary Threshold is currently set at £9,100 a year, and will be reduced to £5,000 a year with effect from 6 April 2025 until 5 April 2028. Thereafter the Secondary Threshold will be increased in line with Consumer Prices Index (CPI). In addition, the employer contribution rate for remuneration above the secondary threshold will increase from 13.8% to 15%. Pressure value represents estimated impact for Council payrolled staff only. The government confirmed £515 million in support for local authorities in England to mitigate the additional impact of the increase in employer National Insurance Contributions (NICs) on their budgets, with final allocations to local authorities to be published with the final local government finance settlement in early 2025.	Partly	Legislative requirement for higher National Insurance Costs.

Appendix G: Revenue Investments: Details of Statutory Services and implications of not investing

Place	R45	New waste and street cleansing contract expenditure. In last years budget there was a capital allocation for new vehicles. This has since been reduced. This pressure reflects the equivlant of the MRP reduction. This is reduced by the staffing cost for Customer Service staff that have TUPE transferred across to the Council (from the current contractor) that has already been incorporated in to staffing budgets. Overall this has zero net impact compared with last year,	Yes	The exact costs are still to be finalised, but not including this would make it less likely that there would be sufficient budget provision. We will need to pay the contractor in line with the contract.
Managing Director	R46	Revenue cost of internal borrowing required to finance the proposed capital programme 2024-2034. Amounts are additional to those estimated to finance the proposed capital programme 2024-2034. Value only reflects estimated Minimum Revenue Provision, as additional impact of lost interest income is included in the interest income projection.	Partly	Directly linked to the capital programme.



**COUNCIL**  
**27 February 2025**

**PART 1 – PUBLIC DOCUMENT**

**TITLE OF REPORT: COUNCIL TAX RESOLUTION 2025/26**

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 obtain approval for the Council Tax requirement and the overall Council Tax rates for the district of North Hertfordshire for 2025/26.

**2. RECOMMENDATIONS**

2.1. That it be noted that at its meeting on 23 January 2025 the Council Tax Setting Committee confirmed the amount 50,836.30 as its Council Tax base for the year 2025/2026 in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 2012 (the Regulations).

a) 50,836.30 being the amount calculated by the Council, in accordance with Regulation 3 of the Regulations, as its Council Tax base for the year.

b)

Parish/Town	Council Tax Base	Parish/Town	Council Tax Base
Ashwell	901.70	Knebworth	2,018.70
Barkway	438.90	Lilley	178.00
Barley	338.20	Offley	616.30
Bygrave	129.40	Pirton	702.50
Caldecote and Newnham	56.70	Preston	246.10
Clothall	86.90	Radwell	58.30
Codicote	1,711.30	Reed	160.60
Graveley	175.50	Royston	6,871.60
Great Ashby	2,012.10	Rushden and Wallington	212.10
Hinxworth	162.60	St Ippolyts	948.50
Holwell	160.20	St Pauls Walden	582.10
Ickleford	898.10	Sandon	247.50
Kelshall	80.90	Therfield	267.50
Kimpton	1,062.50	Weston	446.40
Kings Walden	425.00	Wymondley	431.20

Being the amounts calculated by the Council, in accordance with Regulation 6 of the Regulations, as the amounts of its Council Tax base for the year for dwellings in those parts of its area to which one or more special items relate.

- c) That it be noted that at this meeting on the 27 February 2025 the Council has calculated the Council Tax requirement for the Council's own purposes for 2025/26 (excluding Parish precepts) as £13,612,944. As detailed in 2.2 (e) below the sum of special items is £1,522,848 and hence the total Council Tax requirement (including Parish precepts) is £15,135,792.

2.2. That the following amounts be now calculated by the Council for 2025/2026 in accordance with Sections 31A, 31B and 34 to 36 of the Local Government and Finance Act 1992 (the Act):-

- |    |             |   |
|----|-------------|---|
| a) | £82,684,829 | being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2)(a) to (f) of the Act.  |
| b) | £67,549,037 | being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) (a) to (d) of the Act.   |
| c) | £15,135,792 | being the amount by which the aggregate at (a) above exceeds the aggregate at (b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year.  |
| d) | £297.74     | being the amount at (c) above divided by the amount at 2.1(a) above calculated by the Council in accordance with Section 31B(1) as the basic amount of its Council Tax for the year.  |
| e) | £1,522,848  | being the aggregate amount of all special items referred to in Section 34(1) of the Act.  |
| f) | £267.78     | being the amount at (d) above less the result given by dividing the amount at (e) above by the amount at 2.1(a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates. |

g)

Parish/Town	Basic £	Parish Precept £	Total £
Ashwell	267.78	124.89	392.67
Barkway	267.78	98.28	366.06
Barley	267.78	99.24	367.02
Bygrave	267.78	71.95	339.73
Caldecote and Newnham	267.78	42.08	309.86
Clothall	267.78	21.59	289.37
Codicote	267.78	64.80	332.58
Graveley	267.78	57.94	325.72
Great Ashby	267.78	24.00	291.78
Hinxworth	267.78	68.75	336.53
Holwell	267.78	92.50	360.28
Ickleford	267.78	67.23	335.01
<b>Kelshall</b>	<b>267.78</b>	<b>35.61</b>	<b>303.39</b>
Kimpton	267.78	84.71	352.49
Kings Walden	267.78	90.75	358.53
Knebworth	267.78	95.29	363.07
Lilley	267.78	108.97	376.75
Offley	267.78	66.09	333.87
Pirton	267.78	95.61	363.39
Preston	267.78	68.10	335.88
Radwell	267.78	26.42	294.20
Reed	267.78	51.54	319.32
Royston	267.78	59.22	327.00
Rushden and Wallington	267.78	20.92	288.70
St Ippolyts	267.78	41.98	309.76
St Pauls Walden	267.78	86.79	354.57
Sandon	267.78	34.34	302.12
Therfield	267.78	37.38	305.16
Weston	267.78	51.52	319.30
Wymondley	267.78	100.53	368.31

being the amounts given by adding to the amount at 2.2(f) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 2.1(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate.

h)

Parish/Town	Valuation Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Ashwell	261.78	305.41	349.03	392.67	479.93	567.19	654.45	785.34
Baldock	178.52	208.27	238.03	267.78	327.29	386.79	446.30	535.56
Barkway	244.04	284.71	325.38	366.06	447.41	528.75	610.10	732.12
Barley	244.68	285.46	326.23	367.02	448.58	530.14	611.70	734.04
Bygrave	226.49	264.23	301.98	339.73	415.23	490.72	566.22	679.46
Caldecote and Newnham	206.57	241.00	275.42	309.86	378.72	447.57	516.43	619.72
Clothall	192.91	225.06	257.21	289.37	353.68	417.98	482.28	578.74
Codicote	221.72	258.67	295.62	332.58	406.49	480.39	554.30	665.16
Graveley	217.15	253.33	289.52	325.72	398.11	470.48	542.87	651.44
Great Ashby	194.52	226.94	259.35	291.78	356.62	421.46	486.30	583.56
Hexton	178.52	208.27	238.03	267.78	327.29	386.79	446.30	535.56
Hinxworth	224.35	261.74	299.13	336.53	411.32	486.10	560.88	673.06
Hitchin	178.52	208.27	238.03	267.78	327.29	386.79	446.30	535.56
Holwell	240.19	280.21	320.24	360.28	440.35	520.40	600.47	720.56
Ickleford	223.34	260.56	297.78	335.01	409.46	483.90	558.35	670.02
<b>Kelshall</b>	<b>202.26</b>	<b>235.97</b>	<b>269.67</b>	<b>303.39</b>	<b>370.81</b>	<b>438.23</b>	<b>505.65</b>	<b>606.78</b>
Kimpton	234.99	274.16	313.32	352.49	430.82	509.15	587.48	704.98
Kings Walden	239.02	278.85	318.69	358.53	438.21	517.87	597.55	717.06
Knebworth	242.05	282.38	322.72	363.07	443.76	524.43	605.12	726.14
Langley	178.52	208.27	238.03	267.78	327.29	386.79	446.30	535.56
Letchworth	178.52	208.27	238.03	267.78	327.29	386.79	446.30	535.56
Lilley	251.17	293.02	334.88	376.75	460.48	544.19	627.92	753.50
Nuthampstead	178.52	208.27	238.03	267.78	327.29	386.79	446.30	535.56
Offley	222.58	259.67	296.77	333.87	408.07	482.25	556.45	667.74
Pirton	242.26	282.63	323.01	363.39	444.15	524.89	605.65	726.78
Preston	223.92	261.24	298.55	335.88	410.52	485.16	559.80	671.76
Radwell	196.13	228.82	261.50	294.20	359.58	424.95	490.33	588.40
Reed	212.88	248.36	283.83	319.32	390.28	461.24	532.20	638.64
Royston	218.00	254.33	290.66	327.00	399.67	472.33	545.00	654.00
Rushden and Wallington	192.47	224.54	256.62	288.70	352.86	417.01	481.17	577.40
St Ippolyts	206.51	240.92	275.34	309.76	378.60	447.43	516.27	619.52
St Pauls Walden	236.38	275.77	315.17	354.57	433.37	512.15	590.95	709.14
Sandon	201.41	234.98	268.54	302.12	369.26	436.39	503.53	604.24
Therfield	203.44	237.34	271.25	305.16	372.98	440.78	508.60	610.32
Weston	212.87	248.34	283.82	319.30	390.26	461.21	532.17	638.60
Wymondley	245.54	286.46	327.38	368.31	450.16	532.00	613.85	736.62

being the amounts given by multiplying the amounts at 2.2(f) and 2.2(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(l) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

- 2.3. That it be noted that for 2025/2026 Hertfordshire County Council and the Hertfordshire Police & Crime Commissioner has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Act, for each of the categories of dwellings shown below:-

Precepting Authority	Valuation Bands							
	A £	B £	C £	D £	E £	F £	G £	H £
<b>Hertfordshire County Council</b>	<b>1,179.91</b>	<b>1,376.57</b>	<b>1,573.22</b>	<b>1,769.87</b>	<b>2,163.17</b>	<b>2,556.48</b>	<b>2,949.78</b>	<b>3,539.74</b>
<b>Hertfordshire Police &amp; Crime Commissioner</b>	176.67	206.11	235.56	265.00	323.89	382.78	441.67	530.00

- 2.4. That, having calculated the aggregate in each case of the amounts at 2.2(h) and 2.3 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets out the following provisional amounts as the amounts of Council Tax for 2025/2026 for each of the categories of dwellings shown below:-

**List of parishes and tax at different bands (County, Care, Police, District and Parish)**

Parish/Town	Valuation Bands							
	A £	B £	C £	D £	E £	F £	G £	H £
Ashwell	1,618.36	1,888.09	2,157.81	2,427.54	2,966.99	3,506.45	4,045.90	4,855.08
Baldock	1,535.10	1,790.95	2,046.81	2,302.65	2,814.35	3,326.05	3,837.75	4,605.30
Barkway	1,600.62	1,867.39	2,134.16	2,400.93	2,934.47	3,468.01	4,001.55	4,801.86
Barley	1,601.26	1,868.14	2,135.01	2,401.89	2,935.64	3,469.40	4,003.15	4,803.78
Bygrave	1,583.07	1,846.91	2,110.76	2,374.60	2,902.29	3,429.98	3,957.67	4,749.20
Caldecote and Newnham	1,563.15	1,823.68	2,084.20	2,344.73	2,865.78	3,386.83	3,907.88	4,689.46
Clothall	1,549.49	1,807.74	2,065.99	2,324.24	2,840.74	3,357.24	3,873.73	4,648.48
Codicote	1,578.30	1,841.35	2,104.40	2,367.45	2,893.55	3,419.65	3,945.75	4,734.90
Graveley	1,573.73	1,836.01	2,098.30	2,360.59	2,885.17	3,409.74	3,934.32	4,721.18
Great Ashby	1,551.10	1,809.62	2,068.13	2,326.65	2,843.68	3,360.72	3,877.75	4,653.30
Hexton	1,535.10	1,790.95	2,046.81	2,302.65	2,814.35	3,326.05	3,837.75	4,605.30
Hinxworth	1,580.93	1,844.42	2,107.91	2,371.40	2,898.38	3,425.36	3,952.33	4,742.80
Hitchin	1,535.10	1,790.95	2,046.81	2,302.65	2,814.35	3,326.05	3,837.75	4,605.30
Holwell	1,596.77	1,862.89	2,129.02	2,395.15	2,927.41	3,459.66	3,991.92	4,790.30
Ickleford	1,579.92	1,843.24	2,106.56	2,369.88	2,896.52	3,423.16	3,949.80	4,739.76
Kelshall	1,558.84	1,818.65	2,078.45	2,338.26	2,857.87	3,377.49	3,897.10	4,676.52
Kimpton	1,591.57	1,856.84	2,122.10	2,387.36	2,917.88	3,448.41	3,978.93	4,774.72
Kings Walden	1,595.60	1,861.53	2,127.47	2,393.40	2,925.27	3,457.13	3,989.00	4,786.80
Knebworth	1,598.63	1,865.06	2,131.50	2,397.94	2,930.82	3,463.69	3,996.57	4,795.88
Langley	1,535.10	1,790.95	2,046.81	2,302.65	2,814.35	3,326.05	3,837.75	4,605.30
Letchworth	1,535.10	1,790.95	2,046.81	2,302.65	2,814.35	3,326.05	3,837.75	4,605.30
Lilley	1,607.75	1,875.70	2,143.66	2,411.62	2,947.54	3,483.45	4,019.37	4,823.24
Nuthampstead	1,535.10	1,790.95	2,046.81	2,302.65	2,814.35	3,326.05	3,837.75	4,605.30
Offley	1,579.16	1,842.35	2,105.55	2,368.74	2,895.13	3,421.51	3,947.90	4,737.48
Pirton	1,598.84	1,865.31	2,131.79	2,398.26	2,931.21	3,464.15	3,997.10	4,796.52
Preston	1,580.50	1,843.92	2,107.33	2,370.75	2,897.58	3,424.42	3,951.25	4,741.50
Radwell	1,552.71	1,811.50	2,070.28	2,329.07	2,846.64	3,364.21	3,881.78	4,658.14
Reed	1,569.46	1,831.04	2,092.61	2,354.19	2,877.34	3,400.50	3,923.65	4,708.38
Royston	1,574.58	1,837.01	2,099.44	2,361.87	2,886.73	3,411.59	3,936.45	4,723.74
Rushden and Wallington	1,549.05	1,807.22	2,065.40	2,323.57	2,839.92	3,356.27	3,872.62	4,647.14
St Ippolyts	1,563.09	1,823.60	2,084.12	2,344.63	2,865.66	3,386.69	3,907.72	4,689.26
St Pauls Walden	1,592.96	1,858.45	2,123.95	2,389.44	2,920.43	3,451.41	3,982.40	4,778.88
Sandon	1,557.99	1,817.66	2,077.32	2,336.99	2,856.32	3,375.65	3,894.98	4,673.98
Therfield	1,560.02	1,820.02	2,080.03	2,340.03	2,860.04	3,380.04	3,900.05	4,680.06
Weston	1,569.45	1,831.02	2,092.60	2,354.17	2,877.32	3,400.47	3,923.62	4,708.34
Wymondley	1,602.12	1,869.14	2,136.16	2,403.18	2,937.22	3,471.26	4,005.30	4,806.36

### **3. REASONS FOR RECOMMENDATIONS**

- 3.1. The Council is required to set the Council Tax and to set the overall level of Council Tax for the following financial year, taking into account the precepts of all major and local precepting authorities.
- 3.2. The level of Council Tax Requirement has been considered necessary to meet the budgeting needs of the Council for 2025/26.

### **4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1. Options for the appropriate level of Council Tax for North Hertfordshire District Council have been considered with the agenda item Budget 2025/26 (Revenue Budget and Investment Strategy) presented at this meeting.

### **5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS**

- 5.1. Consultation on the 2025/26 budget proposals has taken place with all Members throughout the Corporate Business Planning process.

### **6. FORWARD PLAN**

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

### **7. BACKGROUND**

- 7.1. At its meeting on 23 January 2025 the Council Tax Setting Committee calculated the amount 50,836.30 as its Council Tax base for the year 2025/2026 in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 2012 (the Regulations)
- 7.2. At this meeting the Council has been recommended to approve a net budget of £22.792 million and an increase in the relevant basic Council Tax amount of 2.99% for 2025/26.

### **8. RELEVANT CONSIDERATIONS**

- 8.1. The Local Government Finance Act 1992 sets out the calculations required for the Council Tax Requirement and the overall Council Tax levels. These calculations have been applied to the precept requirements of the District Council, County Council, Police and Crime Commissioner and Town and Parish Councils and the outcome is provided for Members' approval in section 2 of this report.
- 8.2. This Council is asked to approve an increase in Council Tax of 2.99% for 2025/26. As this is below the referendum threshold for 2025/26 of 3.0%, a local referendum on the Council Tax level is not required.
- 8.3. The Town and Parish Councils have requested a total precept for 2025/26 of £1,522,848. This is an increase of £46,731, or 3.17%, on the precept demand levied on taxpayers for 2024/25. In addition, this Council will also provide a grant of £38,885 to the Town and Parish Councils to help mitigate the impact of the Council Tax Reduction Scheme. This means that the overall amount of precept-related funding provided to Town and Parish Councils for 2025/26 is £1,561,733, an increase of 3.08% on the equivalent total for 2024/25. Parish and Town Councils are not currently subject to any referendum requirements.

- 8.4. Hertfordshire County Council has provided formal notification of a total requested levy on the District of North Hertfordshire for 2025/26 of £89,973,642, which results in a total Band D Council Tax of £1,769.87. This represents a 4.99% increase on the 2024/25 rate. The increase is below the referendum threshold of 5% so a local referendum is not required.
- 8.5. The Police and Crime Commissioner has provided formal notification of the requested levy on the District of North Hertfordshire for 2025/26 of £13,471,619.50, which results in a Band D Council Tax of £265.00. This is an increase of £14.00 (equivalent to 5.58%) on the Band D Council Tax rate for 2024/25. This does not exceed the referendum threshold of £14.00, so a local referendum on the Council Tax level is not required.
- 8.6. The numbers requiring Council approval in the recommendations correspond to what is required by the regulations. Appendix A provides more details of what these numbers mean.
- 8.7. The numbers highlighted in yellow are subject to confirmation by other Councils. If they end up being different then an addendum report will be issued.

## 9. LEGAL IMPLICATIONS

- 9.1. The provision for the Authority to levy and collect a Council Tax is provided in section 30 of the Local Government Finance Act 1992 (Aggregating Billing Authority and Preceptors Council Tax Charges).
- 9.2. The 'Referendums Relating to Council Tax Increases (Principles) (England) Report 2025-26' was published by the Government on the 3<sup>rd</sup> February 2025. The Principles for Referendums were made pursuant to section 52ZD(1) of the Local Government Finance Act 1992 as inserted by Schedule 5 to the Localism Act 2011.
- 9.3. For shire district councils like North Herts Council, for 2025/26 the relevant basic amount of Council Tax is deemed to be excessive if it is both; an increase of 3% or more; and is more than £5.00 greater than its relevant basic amount of Council Tax for 2024/25.
- 9.4. For county councils in England, which includes Hertfordshire County Council, for 2025/26 the relevant basic amount of Council Tax is deemed to be excessive if it exceeds the authority's relevant basic amount of Council Tax for 2024/25 by 5% (comprising 2% for expenditure on adult social care, and 3% for other expenditure) or more.
- 9.5. For Police and Crime Commissioner Authorities, for 2025/26 the relevant basic amount of Council Tax is deemed to be excessive if the authority's relevant basic amount of Council Tax for 2025/26 is more than £14 greater than its relevant basic amount of Council Tax for 2024/25.
- 9.6. Paragraph 10.2 of the Council's Constitution gives the Council Tax Setting Committee the responsibility for (a) setting the Council Tax Base in accordance with the regulations; and (b) setting the Council Tax in accordance with the relevant legislation *unless* the decision can be taken by a meeting of Full Council. In accordance with paragraph 4.8.16(h) of the Constitution and the relevant legislation, the decisions must be by way of a recorded vote.

## 10. FINANCIAL IMPLICATIONS

- 10.1. Council Tax is a key funding stream for the Council, which enables the provision of services to residents. The approval of the Council Tax resolution will authorise the Council Tax billing of the residents of North Hertfordshire for financial year 2025/26. The precept to be collected for the Council's purposes is £13,612,944.

## **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 risk of non-collection of Council Tax is monitored in the Collection Fund. The tax base calculations have assumed a non-collection rate of 1%.

## **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 review and setting of Council Tax is a statutory responsibility of this Council. A balance must be considered and demonstrated by the Council when setting the level of Council Tax and any rise or fall in tax. This said balance is between the ability of the individual residents' to pay the required Council Tax and the Council's need to have sufficient base budget to deliver key services across the District. The recommendation to provide a grant of £38,885 to the District's Town and Parish Councils will mitigate the impact of the Council Tax Reduction Scheme. This action reflects some of the considerations made in reaching this balance.

## **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. There are no direct human resource implications.

## **16. APPENDICES**

- 16.1. Appendix A: Guide to the Council Tax Resolution.

## **17. CONTACT OFFICERS**

- 17.1. Ian Couper, Service Director – Resources  
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- 17.4. Douglas Traill-Stevenson, Property Solicitor  
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- 17.5. Reuben Ayavoo, Policy and Communities Manager  
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**18. BACKGROUND PAPERS**

- 18.1. None.

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**GUIDE TO THE 2025/2026 COUNCIL TAX RESOLUTION**

**Recommendation 2.1**

These are the Council Tax Base figures for 2025/2026 approved by the Council Tax Setting Committee on 23 January 2025 with details for those Parishes that levy a precept.

**Recommendation 2.2**

- (a) Is Gross Expenditure on District Council services + Parish Precepts.
- (b) Is Gross Income from District Council services in 2025/26, including fees and charges, Housing Benefit Subsidy Grant, New Homes Bonus grant, Funding Guarantee grant, and the Council's share of Business Rates, plus the projected use of reserves (based on the net funding position for 2025/26).
- (c) Is (a) - (b) [District Council precept including Parish precepts]
- (d) Is (c) divided by the tax base, i.e. the net District + Parish Charge. This assumes that the total Parish Charge is charged across the entire Council Tax base, so is a notional figure only (i.e. the actual precept for a household is not calculated on this basis).
- (e) Is the total of Parish Precepts
- (f) Is (d) - [(e) divided by the tax base] i.e. the net District Council charge. This is the amount that a Band D property would pay for the Council's own purposes in 2025/26.
- (g) Is the net District Council charge with the relevant Parish charges added for each area in which there is a Parish precept. This is the amount that a Band D property would pay in each parished area, incorporating the District and Parish charge.
- (h) Is the inclusive District and Parish (where applicable) charge for each property band in each area of the District. There are set weightings to apply to the Band D amount to get to the amounts for the other bands.

**Recommendation 2.3**

Is the County and Police precepts for each property band. For the County Council this includes the Social Care precept.

**Recommendation 2.4**

Is the inclusive District, Parish, County and Police charge for each property band for each area of the District.

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