

**NORTH HERTFORDSHIRE DISTRICT COUNCIL**



12 September 2025

Our Ref    Cabinet Tuesday, 23 September 2025  
Contact.    Committee Services  
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To: Members of the Cabinet:

Executive Members Councillors: Daniel Allen (Chair) Val Bryant (Vice Chair) Ian Albert, Amy Allen, Mick Debenham, Tamsin Thomas, Laura Williams and Donna Wright.

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

to be held in the

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

on

**TUESDAY, 23RD SEPTEMBER, 2025 AT 7.30 PM**

Yours sincerely,

Isabelle Alajooz  
Director – Governance

**\*\*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 - 24 JUNE 2025</b> To take as read and approve as a true record the minutes of the meeting of the Committee held on the 24 June 2025.	(Pages 7 - 20)
<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.

### **5. PUBLIC PARTICIPATION**

To receive petitions, comments and questions from the public.

### **6. ITEMS REFERRED FROM OTHER COMMITTEES**

To consider any items referred from other Committees.

(Pages  
21 - 32)

6A) Referral from Overview and Scrutiny Committee: Council Delivery Plan 2025-26 Q1 Update - **to be considered with item 13.**

6B) Referral from Finance, Audit and Risk Committee: First Quarter Revenue Budget Monitoring 2025/26 – **to be considered with item 14.**

6C) Referral from Finance, Audit and Risk Committee: First Quarter Treasury Management Review 2025/26 – **to be considered with item 15.**

6D) Referral from Finance, Audit and Risk Committee: First Quarter Capital Programme Monitoring 2025/26 – **to be considered with item 16.**

### **7. DEVELOPER CONTRIBUTIONS SUPPLEMENTARY PLANNING DOCUMENT - DRAFT FOR PUBLIC CONSULTATION**

(Pages  
33 - 126)

#### **REPORT OF THE DIRECTOR – PLACE**

Following the adoption of the Local Plan in November 2022, the Council adopted a Developer Contributions Supplementary Planning Document to provide additional details for developers and case officers about developer contributions which can be used to make a development acceptable. This review is to update the SPD, particularly with regard to the provision of open space in new development.

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|-----|---|----------------------------------|
| 8.  | <p><b>STRATEGIC PLANNING MATTERS</b></p> <p>REPORT OF THE DIRECTOR – PLACE</p> <p>This report identifies the latest position on key planning and transport issues affecting the Council.</p>  | <p>(Pages<br/>127 -<br/>142)</p> |
| 9.  | <p><b>CODICOTE NEIGHBOURHOOD PLAN - REFERENDUM</b></p> <p>REPORT OF THE DIRECTOR – PLACE</p> <p>To consider the result of the referendum for the Codicote Neighbourhood Plan and to formally “make” the Neighbourhood Plan so that it becomes part of the statutory development plan for North Hertfordshire.</p>   | <p>(Pages<br/>143 -<br/>148)</p> |
| 10. | <p><b>NORTH HERTS ECONOMIC DEVELOPMENT STRATEGY 2025-2030</b></p> <p>REPORT OF THE DIRECTOR – ENTERPRISE</p> <p>The purpose of this report is to present and seek approval of the new Economic Development strategy for North Herts for 2025-2030.</p>  | <p>(Pages<br/>149 -<br/>242)</p> |
| 11. | <p><b>CORPORATE PEER CHALLENGE ACTION PLAN UPDATE</b></p> <p>REPORT OF THE CHIEF EXECUTIVE</p> <p>Report updating on progress against the Corporate Peer Challenge Action Plan.</p>   | <p>(Pages<br/>243 -<br/>256)</p> |
| 12. | <p><b>POSITION STATEMENT IN RELATION TO FLOODING</b></p> <p>REPORT OF THE DIRECTOR – RESOURCES AND DIRECTOR – ENVIRONMENT</p> <p>The Council is a Category 1 responder under the Civil Contingencies Act 2004. Amongst other requirements this means that the Council (with other responders) is required to have plans for emergencies, respond to an emergency when it happens and support the recovery from an emergency. Whilst this places obligations on the Council, there are still options available in relation to the level of support that is provided when emergencies occur. This report considers the options in relation to flooding.</p> | <p>(Pages<br/>257 -<br/>268)</p> |
| 13. | <p><b>COUNCIL DELIVERY PLAN 2025/26 (QUARTER 1 UPDATE)</b></p> <p>REPORT OF THE DIRECTOR – RESOURCES</p> <p>This report presents progress on delivering the Council Delivery Plan for 2025-26. This is a Quarter 1 update but generally reflects progress up to the point that this report was prepared (mid-August).</p>   | <p>(Pages<br/>269 -<br/>306)</p> |
| 14. | <p><b>FIRST QUARTER REVENUE BUDGET MONITORING 2025/26</b></p> <p>REPORT OF THE DIRECTOR - RESOURCES</p> <p>The purpose of this report is to inform Cabinet of the summary position on revenue income and expenditure forecasts for the financial year 2025/26, as at the end of the first quarter.</p>  | <p>(Pages<br/>307 -<br/>322)</p> |

- |     |   |                         |
|-----|---|-------------------------|
| 15. | <b>FIRST QUARTER TREASURY MANAGEMENT REVIEW 2025/26</b><br><b>REPORT OF THE DIRECTOR – RESOURCES</b>  | (Pages<br>323 -<br>342) |
|     | To update Cabinet on progress with delivering the Treasury Strategy for 2025/26, as at the end of June 2025.  |                         |
| 16. | <b>FIRST QUARTER CAPITAL MONITORING REVIEW 2025/26</b><br><b>REPORT OF THE DIRECTOR – RESOURCES</b>   | (Pages<br>343 -<br>354) |
|     | To update Cabinet on progress with delivering the Capital Programme for 2025/26, as at the end of June 2025.  |                         |
| 17. | <b>EXCLUSION OF PRESS AND PUBLIC</b><br>To consider passing the following resolution: That under Section 100A of the Local Government Act 1972, the Press and Public be excluded from the meeting on the grounds that the following report will involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the said Act (as amended). |                         |
| 18. | <b>PART 2 MINUTES - 24 JUNE 2025</b><br>To take as read and approve as a true record the Part 2 minutes of the meeting of the Committee held on the 24 June 2025.   | 355 -<br>358            |
| 19. | <b>GRANT FOR AN OPTION AGREEMENT FOR THE SALE OF LAND TO FACILITATE ACCESS TO STRATEGIC HOUSING SITE GA2 - PART 2</b><br><b>REPORT OF THE PRINCIPAL ESTATES SURVEYOR</b>  | 359 -<br>410            |
|     | Site GA2 is a strategic housing site in the Local Plan. It is proposed that a new access road to the development will be created from Mendip Way. This report seeks Cabinet approval to the heads of terms for an option agreement to give the developer a right to acquire land owned by the Council to facilitate the access to GA2, in collaboration with the other four owners.   |                         |
| 20. | <b>GRANT OF AN OPTION AGREEMENT FOR THE SALE OF LAND TO FACILITATE ACCESS TO STRATEGIC HOUSING SITE GA2 - PART 1</b><br><b>REPORT OF THE PRINCIPAL ESTATES SURVEYOR</b>   | (Pages<br>411 -<br>430) |
|     | Site GA2 is a strategic housing site in the Local Plan. It is proposed that a new access road to the development will be created from Mendip Way. This report seeks Cabinet approval to the heads of terms for an option agreement to give the developer a right to acquire land owned by the Council to facilitate the access to GA2, in collaboration with the other four owners.   |                         |

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# Public Document Pack Agenda Item 2

## NORTH HERTFORDSHIRE DISTRICT COUNCIL

### CABINET

MEETING HELD IN THE COUNCIL CHAMBER, DISTRICT COUNCIL OFFICES, GERONON ROAD, LETCHWORTH, HERTS SG6 3JF  
ON TUESDAY, 24TH JUNE, 2025 AT 7.30 PM

### MINUTES

**Present:** *Councillors: Daniel Allen (Chair), Val Bryant (Vice-Chair), Ian Albert, Amy Allen, Mick Debenham, Tamsin Thomas and Donna Wright.*

**In Attendance:** *Amy Cantrill (Trainee Committee, Member and Scrutiny Officer), Georgina Chapman (Policy & Strategy Team Leader), Deborah Coates (Principal Strategic Planning Officer), Ian Couper (Director - Resources), Steve Crowley (Director - Enterprise), Philip Doggett (Principal Estates Surveyor), Susan Le Dain (Committee, Member and Scrutiny Officer), James Lovegrove (Committee, Member and Scrutiny Manager), Anthony Roche (Chief Executive), Nigel Smith (Director - Place) and Jeanette Thompson (Director - Governance).*

**Also Present:** *At the commencement of the meeting there were no members of the public present.*

*Councillor Sean Nolan was also in attendance as Chair of the Finance, Audit and Risk Committee.*

#### 1 APOLOGIES FOR ABSENCE

*Audio recording – 1 minute 46 seconds*

Apologies for absence were received from Councillor Laura Williams.

#### 2 MINUTES - 20 MAY 2025

*Audio Recording – 1 minute 52 seconds*

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

**RESOLVED:** That the Minutes of the Meeting of the Committee held on 20 May 2025 be approved as a true record of the proceedings and be signed by the Chair.

#### 3 NOTIFICATION OF OTHER BUSINESS

*Audio recording – 2 minutes 34 seconds*

There was no other business notified.

#### **4 CHAIR'S ANNOUNCEMENTS**

*Audio recording – 2 minutes 39 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 for the purposes of clarification that 4.8.23(a) of the Constitution did not apply to this meeting.

#### **5 PUBLIC PARTICIPATION**

*Audio recording – 3 minutes 53 seconds*

There was no public participation at the meeting.

#### **6 ITEMS REFERRED FROM OTHER COMMITTEES**

*Audio recording – 3 minutes 57 seconds*

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

#### **7 STRATEGIC PLANNING MATTERS**

*Audio recording – 4 minutes 30 seconds*

Councillor Donna Wright, as Executive Member for Place, presented the report entitled 'Strategic Planning Matters' and advised that:

- This report summarised the latest position on key planning and transport issues.
- The Baldock Masterplan had been approved by Council on 16 June 2025.
- A summary of the current status of the six strategic masterplans was included on pages 13 and 14 of the report.
- The review of North Herts Local Plan was ongoing and the timetable was outlined on page 14 of the report.
- A summary of other Local Plans from neighbouring authorities was highlighted in pages 15 and 16 of the report.
- The Barkway and Nuthampstead Neighbourhood Plan was approved by a Delegated Decision.
- The National Planning Policy Framework had been updated by the amendment of paragraph 155 which sets out the criteria for development in the Green Belt.
- The expansion of Luton Airport approved in April 2025 would increase passenger numbers from 19 million to 32 million.

The following Members asked questions:

- Councillor Mick Debenham
- Councillor Ian Albert

In response to questions, the Director – Place advised:

- No date had yet been set for when building would commence for the first Masterplan.
- Following the Project Board in July, the North Herts Council Draft Town Centre Strategy would be submitted to Cabinet in September.

In response to a question from Councillor Ian Albert, Councillor Daniel Allen advised he would speak with Officers to see whether an interim Town Centre Strategy report could be submitted to Members before September.

The following Members took part in the debate:

- Councillor Daniel Allen
- Councillor Tamsin Thomas
- Councillor Val Bryant

Points raised during the debate included:

- It was necessary to ensure that the Town Centre Strategy was relevant for each town in the district.
- Teams would need to work effectively together across departmental lines both internally and externally.
- The importance of keeping residents informed with information being publicised on the website.
- The disappointment of the abandonment of the Chilterns National Landscape proposed extension due to financial reasons.

Councillor Donna Wright proposed and Councillor Tamsin Thomas seconded and, following a vote, it was:

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

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

## 8 CODICOTE NEIGHBOURHOOD PLAN

*Audio recording – 19 minutes 58 seconds*

Councillor Donna Wright, as Executive Member for Place, presented the report entitled 'Codicote Neighbourhood Plan' and advised that:

- The Codicote Neighbourhood Plan was designated by Council in June 2014.
- Codicote Parish Council submitted their Neighbourhood Plan to the Council in October 2024.
- Following public consultation an independent examiner was appointed by the Council.
- Details of the basic conditions of the Neighbourhood Plan were highlighted in Appendix A.
- A schedule of the modifications proposed by the examiner were set out Appendix B.
- The examiner recommended this should proceed to a referendum to be held on 14 August 2025.
- The Codicote Neighbourhood Plan was a Key Decision as it included the two district wards of Codicote & Kimpton and Knebworth.

The following Members took part in the debate:

- Councillor Daniel Allen
- Councillor Mick Debenham

Points raised during the debate included:

- It was good to see how well parish councils and residents had worked with Officers to reach this strong proposal.
- A referendum was the right way forward and it would provide residents an opportunity to give their opinions.

Councillor Donna Wright proposed and Councillor Mick Debenham seconded and, following a vote, it was:

**RESOLVED:** That Cabinet:

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

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

## 9 SUSTAINABILITY STRATEGY 2025-2030

*Audio recording – 24 minutes 27 seconds*

Councillor Amy Allen, as Executive Member for Environment, presented the report entitled 'Sustainability Strategy 2025-2030' and advised that:

- This report proposed replacement of the current Climate Change Strategy 2022-2027 with the Sustainability Strategy 2025-2030.
- Changing to a broader sustainability strategy would be in align with the priority of sustainability in the Council Plan.
- This strategy sets out the aims and actions of the themes of Council emissions.
- Colour coding of actions referred to the themes as well as a section for cross cutting actions.
- The aims and actions were consulted on by a survey where 141 responses were received from the public, 33 from staff and 3 from Councillors.
- A summary of the consultation responses was set out in Appendix C.
- Progress on actions would be monitored by the Climate and Sustainability Officer Group (CSOG) and regular reporting to the Political Liaison Board (PLB).
- A small amendment was proposed to page 70 of Appendix A to make reference to the Hertfordshire Growth Board and a sustainable county emission.
- A small amendment was proposed to action 10 on page 73 of Appendix B to make reference to embedding the sustainability goal in the Procurement Strategy.

The following Members asked questions:

- Councillor Daniel Allen
- Donna Wright
- Councillor Val Bryant

In response to questions, the Policy and Strategy Team Leader advised:

- Turnout had been good at the Officer consultation workshop with several members of the Leadership Team in attendance and from a range of teams across the Council and all directorates were covered.
- A Council Emissions report would be uploaded to the Climate Change webpage shortly.
- By the time the Sustainability Strategy went to the PLB any comments received following the workshop had been satisfactorily covered.
- The Sustainability Strategy would be made available on the Climate Change webpage and it was being considered to rename some of the webpages as this was now a Sustainability Strategy to make things clearer.

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

**RESOLVED:** That Cabinet:

- (1) Noted the contents of Appendix C Sustainability Strategy Consultation Response.
- (2) Adopted the following documents, taking into consideration the new actions proposed under each theme.
  - Appendix A Sustainability Strategy 2025-2030
  - Appendix B Sustainability Strategy Actions Table

**REASON FOR DECISIONS:** In 2019 the Council passed a motion to declare a Climate Emergency, pledging to do everything within its power to become carbon neutral by 2030. In July 2023, the Council also declared an Ecological Emergency recognising that the crisis facing nature requires urgent action and is interlinked with the climate crisis. The replacement of the Climate Change Strategy 2022-2027 and transition to the Sustainability Strategy will reflect the Sustainability priority in the Council Plan 2024-28. As such it includes new actions under this broader scope. It also reflects the latest legislation and best practice.

## 10 COUNCIL DELIVERY PLAN 2024-25 (END OF YEAR)

*Audio recording – 32 minutes 47 seconds*

Councillor Ian Albert, as the Executive Member for Resources, presented the report entitled 'Council Delivery Plan 2024-25 (End of Year)' and advised that:

- The Council Delivery Plan was a supportive document for the Council Plan and demonstrated the progress Council had made on the key projects.
- The report also detailed the four overarching risks of resourcing, cyber security, financial sustainability and local government reorganisation.
- Performance indicators were aimed at assessing corporate performance and the performance of the key service areas.
- Feedback from the Local Government Association peer review and a recent audit report highlighted that the Council needed to ensure the key performance indicators were aligned to the Council Delivery Plan and other key strategies.

- The early key performance indicators that were being recommended to Cabinet were set out in paragraph 8.7 of the report.
- Resourcing was a key factor in both red performance indicators which related to answering calls within 45 seconds and Careline installations within 10 days. The actions being taken to address this were set out in paragraph 8.4 of the report.

In response to a question from Councillor Donna Wright, the Director – Resources advised that there was currently no more information than supplied in the report concerning the progress of the project to replace the collapsed weir at Oughtonhead Common.

The following Members took part in the debate:

- Councillor Tamsin Thomas
- Councillor Daniel Allen
- Councillor Mick Debenham

Points raised during the debate included:

- It was good to see so many projects included in the Council Delivery Plan.
- This was a very accurate plan which demonstrated the efficiency of the Council.
- The achievement of Everyone Active for reaching 200K above their target number of visitors to the leisure centres.

Councillor Ian Albert proposed and Councillor Tamsin Thomas seconded and, following a vote, it was:

**RESOLVED:** That Cabinet:

- (1) Noted the progress against Council projects as set out in the Council Delivery Plan, and approved the changes to the milestones (Appendix A).
- (2) Noted the performance against the performance indicators and confirmed the actions detailed in paragraph 8.4.
- (3) Approved the KPI targets for 2025/26 as detailed in Appendix B.
- (4) Approved the projects that will be included on the Council Delivery Plan for 2025/26.

**REASON FOR DECISIONS:** The Council Delivery Plan (CDP) monitoring reports provide Cabinet with an opportunity to monitor progress against the key Council projects, and understand any new issues, risks, or opportunities. Overview and Scrutiny are welcome to consider these reports but have been trialling having a more specific focus at each meeting. The Council Delivery Plan will be publicised to all Members via the Members Information Service.

## **11 REVENUE BUDGET OUTTURN 2024/25**

*Audio recording – 41 minutes 38 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:

- It was positive that the Council reserves had increased.
- However, that underspend was due to issues around resourcing and delivery of some work.

- That there had been some slippage, or less income than expected in the areas of Enterprise and Regulatory.
- This report highlighted that although the Council was managing finances well, there would still be challenges ahead to ensure the delivery of services.

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

- The budget variances identified in the last quarter were highlighted in Table 4.
- There was £817K underspend of which £563K related to delayed activities for 2025/26.
- The significant variances over the whole year were highlighted in Appendix A.
- The position on funding was set out in paragraph 8.9.
- There had been fewer Business Rate Pool appeals than expected which had enabled a reduction in the provision set aside for these, resulting in an increased surplus. This would be in the General Fund balance for 2026/27.
- The balance from the Ministry of Housing, Communities and Local Government (MHCLG) grants reserve was higher than forecast.
- This outturn report was being referred to Full Council to approve the transfer of reserves.

The Monitoring Officer advised for clarity that the figures in the Cabinet recommendations were correct and had been updated since the referral from the Finance, Audit and Risk Committee.

In response to a question from Councillor Daniel Allen, the Service Director – Resources advised that there were some historic rental positions which needed to be resolved and new lettings might be affected by redevelopment plans, There had not been additional income reflected in the budget.

Councillor Ian Albert proposed as amended and Councillor Val Bryant seconded and, following a vote, it was:

**RESOLVED:** That Cabinet

- (1) Noted this report.
- (2) Approved a decrease of £817k in the 2024/25 net General Fund expenditure, as identified in section 8, to a total of £17.932million.
- (3) Approved the changes to the 2025/26 General Fund budget, as identified in table 4 and paragraph 8.3, a total £202k increase in net expenditure.

**RECOMMENDED TO COUNCIL:** That Council approves the net transfer to earmarked reserves, as identified in table 9, of £1.006million.

**REASONS FOR RECOMMENDATION:**

- (1) Members are able to monitor, make adjustments within the overall budgetary framework and request appropriate action of Services who do not meet the budget targets set as part of the Corporate Business Planning process.
- (2) Changes to the Council's balances are monitored and approved.

## 12 INVESTMENT STRATEGY (CAPITAL AND TREASURY) END OF YEAR REVIEW 2024/25

*Audio recording – 50 minutes and 9 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 number of adjustments made in the Capital Programme which had been driven by spend.
- The fact that reductions in interest rates had not caused a negative impact on investments and income had remained above expected levels.
- Noticing how the Council was moving closer to a position where it would need to borrow to fund the Capital Programme and the decisions that would need to be made.
- How any future external borrowing would produce increased costs and that this should be considered now to ensure there was a clear view of this going forward.

Councillor Ian Albert, as the Executive Member for Resources, presented the report entitled 'Investment Strategy (Capital and Treasury) End of Year Review 2024/25' and advised that:

- Nearly £3 million of interest from investments had been generated during the year as detailed in the Executive Summary of the report, but high inflation would have affected costs.
- The Council was in a good strong financial position going forward.
- A detailed review of the Capital Programme had been carried out by Executive Members earlier in the year and this would be carried out again later in the year as the Council moved towards the budget setting process.
- Capital schemes which had not been completed in 2024/25 and would move to 2025/26 were detailed in Table 2.
- Details of significant variances for the completed schemes were highlighted in Table 3.
- Details of completed schemes were set out in paragraph 8.6 of the report.
- The Council would begin to look to borrowing internally in this financial year.
- The treasury and prudential indicators in Appendix B were being referred to Full Council for approval.
- A minor breach of investment limits for one day due had occurred due to absence of a member of staff as set out in paragraph 8.10 of the report. The Council was looking into ways to ensure this situation would not happen again.

The Chair reminded Members that the figures in the Cabinet recommendations were correct and had been updated since the referral from the Finance, Audit and Risk Committee.

In response to a question from Councillor Val Bryant, the Director – Resources advised that Jackmans Community Centre was one of the two community centres requiring flat roof safety works, as detailed on page 153 of the report. The Director - Resources advised Members that he would inform them of the name of the second community centre following the meeting.

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

**RESOLVED:** That Cabinet:

- (1) Noted expenditure of £11.348million in 2024/25 on the capital programme, paragraph 8.3 refers.
- (2) Approved the adjustments to the capital programme for 2025/26 as a result of the revised timetable of schemes detailed in table 2, increasing the estimated spend by £5.204million.

- (3) Noted the position of the availability of capital resources, as detailed in table 4 paragraph 8.7 and the requirement to keep the capital programme under review for affordability.
- (4) Approved the application of £3.712million of capital receipts/set aside towards the 2024/25 capital programme, paragraph 8.7 refers.
- (5) Noted the position of Treasury Management activity as at the end of March 2025.

**RECOMMENDED TO COUNCIL:** That it:

- (1) Approves the actual 2024/25 prudential and treasury indicators as detailed in Appendix B.
- (2) Notes the annual Treasury Management Review for 2024/25 (Appendix B).

**REASONS FOR RECOMMENDATION:**

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

### 13 RISK MANAGEMENT GOVERNANCE - YEAR END REVIEW

*Audio recording – 59 minutes and 43 seconds*

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

- The usefulness of this report as it provided in depth detail of each of the risks included.
- The report focussed on mitigating actions and included the history of progress the Council had made on managing its risks.
- How the forthcoming 3-year spending settlement from the government would help to provide certainty on incoming funding.
- The importance of keeping close interest over the coming year around the impending local government reform and the Churchgate development.

In response to a question from Councillor Daniel Allen, Councillor Nolan advised that there had been limited discussion regarding actions for the Digital Budget Hub risk as detailed on page 189 of the report.

Councillor Ian Albert, as the Executive Member for Resources, presented the report entitled 'Risk Management Governance – Year End Review' and advised that:

- The report described activities in relation to risk management and was a combination of what had happened during 2024/25 and the position at the end of the year.
- This report demonstrated there was active risk management and regular risk reviews and the mitigating actions for identified risks as well as identifying new risks.
- In the six-month period between October 2024 to March 2025 a review of all risks had been undertaken.
- The work undertaken by the Risk and Performance Management Group was detailed in paragraph 5.1.
- Details of the performance against risk actions for 2024/25 was highlighted in paragraph 12.2.

- This end of year report was being referred to Full Council for an oversight of risk management activities.

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

**RESOLVED:** That Cabinet noted the report.

**RECOMMENDED TO COUNCIL:** To note the report.

**REASONS FOR RECOMMENDATION:**

- (1) Cabinet has responsibility for ensuring the management of risks.
- (2) This Committee has responsibility to monitor the effective development and operation of risk management.

**14 EXCLUSION OF PRESS AND PUBLIC**

*Audio recording – 1 hour 6 minutes 39 seconds*

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

**RESOLVED:** That under Section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 and 5 of Part 1 of Schedule 12A of the said Act (as amended).

**15 PART 2 MINUTES - 14 JANUARY 2025 AND 18 MARCH 2025**

*N.B. This item was considered in restricted session and therefore no recordings were available.*

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

**RESOLVED:** That the Part 2 Minutes of the Meetings of the Committee held on 14 January 2025 and 18 March 2025 be approved as a true record of the proceedings and be signed by the Chair.

**16 THE ARENA, BALDOCK - PART 1**

*Audio recording – 1 hour 35 minutes 8 seconds*

Councillor Tamsin Thomas, as Executive Member for Enterprise, presented the report entitled 'The Arena, Baldock – Part 1' and advised that:

- The Arena football ground was owned by the Council and had been let to Hitchin Town Community Football Club Limited (HTCFC) under a 50-year lease agreement which expired in 2045.
- These recommendations would enable HTCFC to make investments in the pitch and wider facilities.
- This report would resolve a long-standing issue for The Arena.
- HTCFC operated multi facilities from the ground.
- There was a lot of history concerning the site which was established in the 1980s.

- Council Officers had been in dialogue with HTCFC and had reached this agreement to resolve the issues.
- The uncertainty of treatment of the rent balance had prevented HTCFC from progressing with financial plans, including the ability to apply for grants to improve the facilities which prevented securing more senior football teams using the ground.
- This solution would enable HTCFC to continue in discussions with Baldock Town Football Club to reach agreement for their return to play at The Arena.

In response to a question from Councillor Ian Albert, the Principal Estates Surveyor advised that following agreement of the recommendations the legal documents could be prepared quickly and signed within weeks.

The following Members took part in the debate:

- Councillor Ian Albert
- Councillor Mick Debenham
- Councillor Daniel Allen

Points raised during the debate included:

- These recommendations were a significant step forward for the Arena and should be supported.
- It should not be forgotten that Hitchin Town Community Football Club Limited had kept the Arena going for 20 years. The Arena was a benefit for all the residents of North Hertfordshire.

Councillor Tamsin Thomas proposed and Councillor Mick Debenham seconded and, following a vote, it was:

**RESOLVED:** That Cabinet:

- (1) Agreed to cancel (write-off or credit note) the outstanding balance on the rent account for the reasons outlined in the report.
- (2) Amended the user clause and alienation provisions in the lease to allow for existing sublettings and licence arrangements to be regularised and provision for possible future sublettings.
- (3) Agreed to accept a revised rent as outlined in the Part 2 report. Future 5 yearly rent reviews to be in line with the increase in CPI.

**REASON FOR DECISIONS:** A previous agreement with the club in respect of repayment of arrears and level of new rent was never finalised and the Council continued to issue rent demands based on an historic rent review. The tenant paid rent on the basis of the new rent that they understood had been agreed. The uncertainty of treatment of the rent balance prevents the club from progressing with their financial plans to replace the pitch and invest in the site. The Council also needs to regularise the new rent, outstanding balance and authorise underlettings. It is in both parties interest to have clarity on the lease going forward, and for the future success of the club, its members and users of the facilities.

**17 EXCLUSION OF PRESS AND PUBLIC**

*Audio recording – 1 hour 55 minutes 10 seconds*

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

**RESOLVED:** That under Section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the said Act (as amended).

*N.B. There was a break in proceedings following this item and the meeting reconvened at 21:15*

**18 RADBURN WAY, LETCHWORTH GARDEN CITY - PART 2**

*N.B. This item was considered in restricted session and therefore no recordings were available.*

Councillor Tamsin Thomas, as Executive Member for Enterprise, presented the report entitled 'Radburn Way, Letchworth Garden City – Part 2'.

Councillor Tamsin Thomas proposed and Councillor Mick Debenham seconded and, following a vote, it was:

**RESOLVED:** That Cabinet:

- (1) Approved that the land should no longer be declared surplus, and development of the site should not be pursued.
- (2) Approved progressing with plans to improve management of the land with the intention to provide a habitat bank, or similar, with improved public access as appropriate. Officers from Green Space, Estates and other services to work jointly to manage and deliver the project, reporting back to the Executive Members for Enterprise, Resources and Environment.

**REASONS FOR DECISIONS:**

- (1) Difficulty providing a suitable access to the site, with a significant associated capital cost to achieve.
- (2) Hertfordshire County Council has advised local planning authorities that the Herts Ecological Networks Map should be used to assess the strategic importance of habitats, and this site has been noted as being strategically significant - the highest rating.
- (3) The need, as part of the planning allocation, for the re-provision of the priority orchard habitat elsewhere in North Herts, in addition to the new Biodiversity Net Gain (BNG) requirements. BNG makes sure that habitats for wildlife are left in a measurably better state than they were before the development and is now mandatory.
- (4) A biodiversity baseline assessment of the site in July 2024 identified a high baseline biodiversity value due to the presence of the strategically significant Priority Habitat Traditional Orchard, with mixed scrub and mature and irreplaceable trees.
- (5) Since the allocation of the site in the Local Plan the Council has declared both an ecological and climate emergency.

- (6) Settle Group concluded that a small development on the eastern section of the site with access from the garage site on Radburn Way would not be viable.
- (7) A financial assessment attached at Appendix B of the Part 2 Report, indicates residential development of the site is not viable either with access from a third-party ownership on Radburn Way or via Freeman Drive, given the additional costs of developing the site in accordance with planning and climate change requirements.

## 19 RADBURN WAY, LETCHWORTH GARDEN CITY - PART 1

*Audio recording – 2 hours 10 minutes 1 second*

Councillor Tamsin Thomas, as Executive Member for Enterprise, presented the report entitled 'Radburn Way, Letchworth Garden City – Part 1' and advised that:

- The report was to consider not to progress with the development or disposal of the site at Radburn Way, Letchworth and instead to capitalise on the rich biodiversity of the site, with a view to using part of the site as a habitat bank and improving public use of the site.
- This report would resolve a longstanding question about the future of this green space and the orchard within it.
- The Council owned the area of land between the Baldock Road and Radburn Way in Letchworth Garden City as shown on the plan in the report.
- This area of 0.94 hectares was allocated for residential development in the North Hertfordshire Local Plan under policy LG6 along with the adjoining land owned by Hertfordshire County Council.
- The site contained a priority orchard including veteran trees which were a precious and protected resource.
- The Local Plan allocation required the re-provision of a change of habitat within the land to deliver 10% of biodiversity net gains on the site.
- Taking up this recommendation would enable the Council to restore this green space to the public and uphold the commitment of the Council to both climate and ecological diversity.
- This orchard had a priority status and it would be a significant challenge to reposition the orchard elsewhere.
- The intention would be to restore and enhance the site using volunteer groups with the help of local residents where possible.
- There would be an opportunity to sell biodiversity units to receive capital receipts on council sites elsewhere.
- For these gains to be realised it would be necessary for the site to be restored, enhanced and maintained for a period of no less than 30 years.

The following Members took part in the debate:

- Councillor Amy Allen
- Councillor Mick Debenham
- Councillor Daniel Allen

Points raised during the debate included:

- There were no alternative sites available elsewhere.
- This land should not be allocated for housing and a habitat bank would help the biodiversity gain for the Council.
- This was a benefit for the whole district and for a fairer greener North Hertfordshire.

Councillor Tamsin Thomas proposed and Councillor Mick Debenham seconded and, following a vote, it was:

**RESOLVED:** That Cabinet:

- (1) Approved that the land should no longer be declared surplus, and development of the site should not be pursued.
- (2) Approved progressing with plans to improve management of the land with the intention to provide a habitat bank, or similar, with improved public access as appropriate. Officers from Green Space, Estates and other services to work jointly to manage and deliver the project, reporting back to the Executive Members for Enterprise, Resources and Environment.

**REASONS FOR DECISIONS:**

- (1) Difficulty providing a suitable access to the site, with a significant associated capital cost to achieve.
- (2) Hertfordshire County Council has advised local planning authorities that the Herts Ecological Networks Map should be used to assess the strategic importance of habitats, and this site has been noted as being strategically significant - the highest rating.
- (3) The need, as part of the planning allocation, for the re-provision of the priority orchard habitat elsewhere in North Herts, in addition to the new Biodiversity Net Gain (BNG) requirements. BNG makes sure that habitats for wildlife are left in a measurably better state than they were before the development and is now mandatory.
- (4) A biodiversity baseline assessment of the site in July 2024 identified a high baseline biodiversity value due to the presence of the strategically significant Priority Habitat Traditional Orchard, with mixed scrub and mature and irreplaceable trees.
- (5) Since the allocation of the site in the Local Plan the Council has declared both an ecological and climate emergency.
- (6) Settle Group concluded that a small development on the eastern section of the site with access from the garage site on Radburn Way would not be viable.
- (7) A financial assessment attached at Appendix B of the Part 2 Report, indicates residential development of the site is not viable either with access from a third-party ownership on Radburn Way or via Freeman Drive, given the additional costs of developing the site in accordance with planning and climate change requirements.

The meeting closed at 9.48 pm

Chair

<b>Item No</b>	<b>Referred from:</b>	<b>OVERVIEW &amp; SCRUTINY COMMITTEE</b>
<b>6A</b>	<b>Date:</b>	<b>9 September 2025</b>
	<b>Title of item:</b>	<b>Council Delivery Plan 2025-26 (Q1 Update)</b>
<b>To be considered alongside agenda item:</b>		<b>Agenda Item 13 – Council Delivery Plan 2025-26 (Q1 Update)</b>

The report considered by Overview and Scrutiny Committee at the meeting held on 9 September 2025 can be viewed here: [Agenda for Overview and Scrutiny Committee on Tuesday, 9th September, 2025, 7.30pm | North Herts Council](#)

**RECOMMENDED TO CABINET:** That Cabinet notes progress against Council projects and performance indicators, as set out in the Council Delivery Plan (Appendix A), and approves new milestones and changes to milestones.

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

*Audio recording – 3 minutes 32 seconds*

Councillor Ian Albert, as Executive Member for Resources, presented the report entitled 'Council Delivery Plan 2025-26 (Quarter 1 Update)' and advised that:

- Cabinet valued input from the Overview and Scrutiny Committee on the Council Delivery Plan (CDP) report.
- In response to the Corporate Peer Challenge and the subsequent audit, the Council had been investigating how to extend Key Performance Indicators (KPIs) to focus on achieving the outcomes set out in the CDP.
- These would be included in the Q2 report and smart measures would also be introduced without increasing pressure on workload.

The Director – Resources gave a verbal presentation and advised that:

- Digital Transformation and Leisure Centre Decarbonisation were the only projects with an amber status.
- The amber status classified projects that had missed one or more milestone dates without there being a significant impact to their delivery.
- In Appendix A, changes to milestones and new milestones that were subject to Cabinet approval were highlighted in yellow and blue respectively.
- Leisure Centre Decarbonisation, Churchgate, Decarbonisation of Council Buildings – Phase 2 and Local Plan Review all had a red risk level, as well as the overarching corporate risks.
- A red risk level was present where the project had scored highly on likelihood and impact which led to a higher level of monitoring and review.
- Three KPIs had a red status, with two of these related to Careline Installations and the other to Customer Service Centre (CSC) calls answered in 45 seconds.
- Explanations and planned actions were detailed in paragraph 8.4 of the report.
- The performance indicator for the Revenue Budget KPI was +2.4%.

The following Members asked questions:

- Councillor Jon Clayden
- Councillor Paul Ward
- Councillor Elizabeth Dennis
- Councillor Claire Winchester

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

- The red status on Careline Installations was due to resourcing issues, however, there were actions in place to address these to aim to progress them to a green status.
- KPIs on working days lost to short-term absence and staff turnover were worth measuring as they could present problems if they exceeded target levels.
- Both KPIs had been measured over a long period and had targets despite them not being included in the table. This error would be rectified before the report was presented to Cabinet.
- No additional financial implications were expected from the Building Safety Act issues detailed within the report.
- The due date on the milestone to provide Salix with finalised project data had not changed as ancillary works would not have a direct climate impact and as such, data could be provided before they were complete.
- The Leisure Centre Decarbonisation Project Manager had left their post due to a change in personal circumstances, however, the project had now entered the construction phase and would not require the same level of support that had been given by them during the project setup phase.
- An illustrated grid for risk level scoring was included at page 22 of the report.
- The assessment of whether the impact would be low, medium or high not only accounted for the impact on residents, but considered legal impacts, financial impacts and other impacts to the Council as a whole.
- Each impact was assessed by the officer relevant to that area, but it was also down to Cabinet, the Overview & Scrutiny Committee and the Finance, Audit & Risk (FAR) Committee to provide feedback on these.
- The Medium Term Financial Strategy due date had been changed to reflect the Full Council meeting date, and it would go to Cabinet prior to that.
- Recent waste data was not yet available, as priority had been given to oversee the waste contract and service change first. Once this had been completed, all the relevant data would be processed and made available. The period in which no data had been provided would not be lost.

In response to questions, Councillor Ian Albert advised that:

- There was no update on the implementation of a learner pool at Royston Leisure Centre but the importance of this was noted and they would aim to have information available at the upcoming Budget Workshop.
- Members were invited to attend the quarterly Resource and Performance Management Group meetings where risks were highlighted and discussed in more detail.

Councillor Jon Clayden proposed and Councillor Sadie Billing seconded the recommendations.

As part of the debate, Councillor Ralph Muncer suggested that Members should receive an update at the next meeting on the Public Sector Decarbonisation Scheme as milestones associated with this had slipped and costs had significantly increased since initial project estimations, therefore, they should monitor issues to be able to act at the earliest opportunity.

After consulting the Executive Member for Resources and Director – Resources, the Chair confirmed that Members would be able to ask additional questions.

The following Members asked additional questions:

- Councillor David Chalmers
- Councillor Ralph Muncer
- Councillor Paul Ward
- Councillor Claire Winchester
- Councillor Jon Clayden

In response to additional questions, Councillor Ian Albert advised that:

- There had not been a lack of transparency on the Churchgate project as regular Member briefings had been held and there would be more in the future.
- A report had also been presented to Council in July and the next phase of the project had been approved.
- £296,000 had been spent on Churchgate to date, mostly on consultancy fees.
- An extensive public consultation process had yielded over 3,000 responses.
- A Parking Strategy Survey would be conducted to review existing parking usage which would inform how they could signpost users to alternative parking sites.
- Understanding the impact that the project would have on pedestrians and other modes of transport across Hitchin was critical.
- Hitchin Market Board had been consulted from the beginning of the project and the importance of working with market traders was recognised.
- The Council had been working with Market Curators to determine the best look and feel for the market in Hitchin after Churchgate had been redeveloped.
- A report at Full Council in December would take Members through the findings to date and plans in the lead up to a full procurement exercise.
- Depending on the procurement route taken, the building work would begin in 2027 or 2028.
- A highly experienced Project Manager who had worked with several local authorities had been appointed and would start next week.
- Project Board workshops had been held and regular audits through the Internal Shared Audit Service had been carried out to hold the team accountable for each phase of the project to ensure that it had been effectively run.
- The latest audit made three recommendations, and these had been addressed within the agreed timescales.
- Engagement on the project masterplan was planned.
- Market traders, the Market Manager and Hitchin BID Manager were engaged with regularly and had been consulted on their concerns around the project.
- There was a challenge between balancing parking space and the redevelopment of Churchgate which the Parking Strategy Survey would help to inform.
- It was recognised that the Churchgate project would continue after Local Government Reorganisation had taken place and that they would need to consult shadow authorities once they had been formed.
- Inevitably, projects in their early stages or with a degree of uncertainty were likely to have a red risk level, but there were mitigations in place to manage risk.
- £30,000 of the initial £400,000 funding allocated for Charnwood House had been spent on essential roofing works, electrical works and clearance to maintain structural integrity and prevent further decay of the building.
- They were committed to the revitalisation of Charnwood House for the benefit of Hitchin and the wider district.

- External agents were appointed with the task of engaging suitable operators to run the building as a community hub, however, their marketing had not yielded a letting for various reasons.
- There would be a review of the work on the building to date, and future options for the building would be put to Executive Members.
- While it was not formally on the market, they had retained contact details of groups that were formerly interested in running it as a community hub.
- Ensuring that Charnwood House would be in the community for the long-term was important.
- A dedicated webpage with periodic updates on Charnwood House was available on the Council website.
- Regular reports on Charnwood House were given at Hitchin Community Forum.
- The remainder of the initial funding allocated to the project would hopefully act as seed funding to help a future operator of the facility obtain further funding from other sources for the project.

In response to additional questions, Councillor Val Bryant advised that there was a page on the Council website entitled 'The Churchgate Conversation' which gave a detailed the timeline of the project and associated documentation.

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

- The status of the high priority audit finding would be checked and verified before the next FAR Committee meeting.
- The purpose of the report was to highlight risks and to track the completed actions against the planned actions that had been put in place to address those.
- More detail on each project including their risks and planned actions could be found on Ideagen.
- Charnwood House would not be on the Council Delivery Plan until a defined plan had been made for it. It would be investigated as to whether a service risk was needed.

In response to additional questions, the Chief Executive advised that:

- Ongoing reviews of strategy and policy documents would have to account for the changes that Local Government Reorganisation would bring, including Hertfordshire County Council assets that would come under the control of the future unitary authority and impact their current assets, especially if they were nearby or adjoining.
- Once assets for all eleven authorities across Hertfordshire had been mapped out, a division of these would be negotiated among the new unitary authorities.

Following additional questions from Members, there were no more points in the debate.

Having been proposed and seconded and, following a vote, it was:

**RESOLVED:** That the Overview and Scrutiny Committee:

- (1) Provided comment on the Council Delivery Plan Quarter 1 monitoring report.
- (2) Determined any project they want to receive more detail on, as part of the next monitoring report.

**RECOMMENDED TO CABINET:** That Cabinet notes progress against Council projects and performance indicators, as set out in the Council Delivery Plan (Appendix A), and approves new milestones and changes to milestones.

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

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Item No	Referred from:	FINANCE, AUDIT AND RISK COMMITTEE
<b>6B</b>	Date:	10 September 2025
	Title of item:	FIRST QUARTER REVENUE BUDGET MONITORING 2025/26
To be considered alongside agenda item:		Agenda Item 14 – FIRST QUARTER REVENUE BUDGET MONITORING 2025/26

The report considered by Finance, Audit and Risk Committee at the meeting held on 10 September 2025 can be viewed here: [Agenda for Finance, Audit and Risk Committee on Wednesday, 10th September, 2025, 7.30 pm | North Herts Council](#)

**RECOMMENDED TO CABINET:**

- (1) That Cabinet note this report.
- (2) That Cabinet approves the changes to the 2025/26 General Fund budget, as identified in table 3 and paragraph 8.2, a £453k increase in net expenditure.
- (3) That Cabinet notes the changes to the 2026/27 General Fund budget, as identified in table 3 and paragraph 8.2, a total £689k increase in net expenditure. These will be incorporated in the draft revenue budget for 2026/27.
- (4) That Cabinet delegates to the Director-Resources (in consultation with the Executive Member for Resources) authority to enter in to a Business Rate Pooling arrangement (if available) if it is estimated that it will be in the financial interests of the Council.

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

*Audio recording – 1 hour 39 minutes 1 second*

The Director – Resources presented the report entitled ‘First Quarter Revenue Budget Monitoring 2025/26’ and highlighted that:

- Paragraph 8.3 should read overachievement £59,000 to reflect what is in Table 3.
- There was a request for a right off a debt for over £11K since the publication of the Agenda so this was added to the report going to Cabinet.
- The Royston Leisure Centre Learner Pool and the Leisure Centres Decarbonisation changes in Table 3 needed tidying up to reflect decisions that had already been made in relation to capital projects.
- The 2024/25 year end position for Parking Penalty Charge Notices (PCNs) had been shown as TBC so there was addition information added to this report about those.

The following Members asked questions:

- Councillor Ruth Brown
- Councillor Ralph Muncer
- Independent Member John Cannon

In response to questions, the Director – Resources stated that:

- There was a real risk that the Princes Mews Car Park would not reopen. It was possible that parking use would shift to other car parks. Overall income usage and income levels would be kept under review.
- The Commercial Refuse & Recycling Service was under the same contract as Garden Waste Collection Service, Table 4 shows that the income is still projected to be on budget, despite Table 5 showing the number of customers decreasing. This would be kept under review.
- There was a net increase in expenditure, this was manageable but would affect future savings targets.
- The information missing from Table 5 about Garden Waste Collection Service is expected to be available in the quarter 2 report.
- Table 5 showed the trends and although this was drastically up for PCNs Table 4 showed this was predicted to be a stable income for the year and not increase significantly.
- Improvements in back rent collection meant getting the money into the Council quicker which reduced the risk of bad debt.
- The investment income forecast in Table 3 was much higher figures due to slippage from the 2024/25 capital budget and interest rates being higher than predicted on the Council's investments.

Councillor Vijaiya Poopalasingham proposed and Councillor Paul Ward seconded and, following a vote, it was:

**RESOLVED:** That Committee noted and considered any governance and risk issues in relation to the Cabinet recommendations.

**RECOMMENDED TO CABINET:**

- (1) That Cabinet note this report.
- (2) That Cabinet approves the changes to the 2025/26 General Fund budget, as identified in table 3 and paragraph 8.2, a £453k increase in net expenditure.
- (3) That Cabinet notes the changes to the 2026/27 General Fund budget, as identified in table 3 and paragraph 8.2, a total £689k increase in net expenditure. These will be incorporated in the draft revenue budget for 2026/27.
- (4) That Cabinet delegates to the Director-Resources (in consultation with the Executive Member for Resources) authority to enter into a Business Rate Pooling arrangement (if available) if it is estimated that it will be in the financial interests of the Council.

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

Item No	Referred from:	FINANCE, AUDIT AND RISK COMMITTEE
<b>6C</b>	Date:	10 September 2025
	Title of item:	First Quarter Treasury Management Review 2025/ 26
To be considered alongside agenda item:		Agenda Item 15 – First Quarter Treasury Management Review 2025/26

The report considered by Finance, Audit and Risk Committee at the meeting held on 10 September 2025 can be viewed here: [Agenda for Finance, Audit and Risk Committee on Wednesday, 10th September, 2025, 7.30 pm | North Herts Council](#)

**RECOMMENDED TO CABINET:** That Finance, Audit and Risk Committee provided comments to Cabinet on the position of Treasury Management activity as at the end of June 2025.

**REASON FOR RECOMMENDATION:** To ensure the Council's continued compliance with CIPFA's code of practice on Treasury Management and the Local Government Act 2003 and that the Council manages its exposure to interest and capital risk.

*Audio recording – 1 hour 52 minutes 55 seconds*

*N.B. Cllr Paul Ward declared an interest in this item due to his employment and left the chamber.*

The Director – Resources presented the report entitled 'First Quarter Treasury Management Review 202526' and highlighted that:

- There was an additional income of £1million due to higher interest rate, it was at 5.1% at the start of quarter and reduced to 4.51% at the end both of which were above the Councils forecast. Balances available for investment were also higher than budgeted.
- There was more investment going to banks than last year, but the majority of invest was still in Local Authorities this was shown in paragraph 8.11.

The following Members asked questions:

- Councillor Ruth Brown
- Councillor Ralph Muncer
- Independent Member John Cannon

In response to questions, the Director – Resources stated that:

- All borrowing done by all other Local Authorities would be transferred to the new Local Authorities during Local Government Reorganisation. As those successor bodies would have tax raising powers, the investment risk remained the same.
- Building Societies had recently paid lower interest rates which is why the Council had not invested in them.
- Paragraph 6.1 was in reference to Cabinet decisions and not for this Committee.

- The treasury investment strategy set out that investments with Government and then Local Authorities were the lowest risk. Investments with banks and building societies were slightly higher risk, and dependent on credit ratings.
- The investment strategy set out maximum limits for various investment types. The 16% invested in banks was within the limits in the investment strategy and could go higher.
- The Council's Treasury strategy lists the level of risk that and maximum levels of investment in each area.

Councillor Ruth Brown proposed and Councillor Sarah Lucas seconded and, following a vote, it was:

**RECOMMENDED TO CABINET:** That Finance, Audit and Risk Committee provided comments to Cabinet on the position of Treasury Management activity as at the end of June 2025.

**REASON FOR RECOMMENDATION:** To ensure the Council's continued compliance with CIPFA's code of practice on Treasury Management and the Local Government Act 2003 and that the Council manages its exposure to interest and capital risk.

*N.B. Cllr Paul Ward returned to the Chamber at 21:32.*

Item No	Referred from:	FINANCE, AUDIT AND RISK COMMITTEE
<b>6D</b>	Date:	10 September 2025
	Title of item:	First Quarter Capital Programme Monitoring 2025/26
To be considered alongside agenda item:		Agenda Item 16 – First Quarter Capital Programme Monitoring 2025/26

The report considered by Finance, Audit and Risk Committee at the meeting held on 10 September 2025 can be viewed here: [Agenda for Finance, Audit and Risk Committee on Wednesday, 10th September, 2025, 7.30 pm | North Herts Council](#)

**RECOMMENDED TO CABINET:**

- (1) That Cabinet notes the forecast expenditure of £27.624M in 2025/26 on the capital programme, paragraph 8.3 refers.
- (2) That Cabinet approves the adjustments to the capital programme for 2026/27 onwards, as a result of the revised timetable of schemes detailed in table 2 and 3, increasing the estimated spend in 2026/27 by £0.838M and £0.608M in 2027/28.
- (3) That Cabinet notes the position of the availability of capital resources, as detailed in table 4 paragraph 8.6 and the requirement to keep the capital programme under review for affordability.
- (4) That Cabinet recommends to Council that they approve a capital budget of £1.275M (£0.319M in 25/26, £0.478 in 26/27 and £0.478M in 27/28) for the Government's new energy efficiency Warm Homes Scheme. This will be fully funded from Government grants, paragraph 8.5 refers

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

*Audio recording – 2 hours 1 minute 25 seconds*

The Director – Resources presented the report entitled 'First Quarter Treasury Management Review 202526' and highlighted that:

- Table 2 listed the schemes in the 2025/26 Capital Programme that would be deferred and now start in or continue into future budgets.
- Table 3 showed changes for total projected spend which total a net decrease of £0.281million.
- The council was now in a position where it did not have sufficient funding to finance the Capital programme meaning the Council would have to borrow to fund the programme in this year. This would initially be internal borrowing.

In response to a question from Councillor Ruth Brown, the Director – Resources stated that there was a push to get local businesses to have solar panels installed that it was hoped would have created a small return for the Council. As solar panels were a long-term investment there had to also be protections in place. Ultimately, the Council had not been able to reach final agreements with any of the businesses that had shown an initial interest. The Council also needed to consider the resource implications, and opportunities to focus on other sustainability projects.

Councillor proposed Vijaiya Poopalasingham and Councillor Sarah Lucas seconded and, following a vote, it was:

**RESOLVED:** That Finance, Audit and Risk Committee considered any governance and risk issues in relation to the Cabinet recommendations.

**RECOMMENDED TO CABINET:**

- (1) That Cabinet notes the forecast expenditure of £27.624M in 2025/26 on the capital programme, paragraph 8.3 refers.
- (2) That Cabinet approves the adjustments to the capital programme for 2026/27 onwards, as a result of the revised timetable of schemes detailed in table 2 and 3, increasing the estimated spend in 2026/27 by £0.838M and £0.608M in 2027/28.
- (3) That Cabinet notes the position of the availability of capital resources, as detailed in table 4 paragraph 8.6 and the requirement to keep the capital programme under review for affordability.
- (4) That Cabinet recommends to Council that they approve a capital budget of £1.275M (£0.319M in 25/26, £0.478 in 26/27 and £0.478M in 27/28) for the Government's new energy efficiency Warm Homes Scheme. This will be fully funded from Government grants, paragraph 8.5 refers

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

## CABINET

23 SEPTEMBER 2025

### PART 1 – PUBLIC DOCUMENT

#### **TITLE OF REPORT: DEVELOPER CONTRIBUTIONS SUPPLEMENTARY PLANNING DOCUMENT – DRAFT FOR PUBLIC CONSULTATION**

REPORT OF NIGEL SMITH, DIRECTOR – PLACE

EXECUTIVE MEMBER FOR PLACE: CLLR DONNA WRIGHT

COUNCIL PRIORITY: THRIVING COMMUNITIES / RESPONSIBLE GROWTH / SUSTAINABILITY

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

- 1.1 Following the adoption of the Local Plan in November 2022, the Council adopted a Developer Contributions Supplementary Planning Document to provide additional details for developers and case officers about developer contributions which can be used to make a development acceptable. This review is to update the SPD, particularly with regard to the provision of open space in new development.

#### **2. RECOMMENDATIONS**

- 2.1. That the draft Developer Contribution SPD, attached as Appendix A to be endorsed and approved for a period of public consultation.

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

- 3.1. To allow the Developer Contributions SPD to be updated and be used in decisions on planning applications.

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

- 4.1. The Council could retain the existing Developer Contributions SPD. However, it is considered that there is out of date information in the SPD and that by updating it, the Council can secure more appropriate contributions arising from those developments where developer contributions are applicable.

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

- 5.1. The Executive Member for Place has been briefed on the programme for consultation on the draft SPD.
- 5.2. Internal consultation with relevant officers across Council departments has taken place in developing the draft SPD for consultation.

## **6. FORWARD PLAN**

- 6.1 This report contains a recommendation on a key Executive decision that was first notified to the public in the Forward Plan on the 21 March 2025.

## **7. BACKGROUND**

- 7.1. Developer contributions can be used to make a development acceptable but should only be used where unacceptable impacts cannot be dealt with by planning conditions. Legal tests must be applied to any planning obligations sought, and this is outlined in Community Infrastructure Levy Regulations 2010 (as amended) and in paragraph 58 of the NPPF. Any contributions must be: a) necessary to make the development acceptable in planning terms; b) directly related to the development; and c) fairly and reasonably related in scale and kind to the development.
- 7.2. The National Planning Policy Framework (NPPF) defines Supplementary Planning Documents (SPDs) as documents which add further detail to the policies in the development plan. SPDs are capable of being a material consideration in planning decisions but are not part of the statutory Development Plan. SPDs are not subject to an independent examination but are required to undergo public consultation.
- 7.3. The Developer Contributions SPD supports the implementation of policies in the [Local Plan](#), particularly:  
Policy SP7: Infrastructure requirements and developer contributions;  
Policy T1: Assessment of transport matters;  
Policy HS2: Affordable housing; and  
Policy NE6: New and improved open space

## **8. RELEVANT CONSIDERATIONS**

- 8.1. The Developer Contributions SPD was adopted in February 2023 to support the implementation of the development and has been used to secure appropriate contributions arising from developments across the District.
- 8.2. There are a number of areas where updates to the Developer Contributions SPD are considered necessary. The significant changes include:
- Deleting references throughout the document to developer contributions requested by Hertfordshire County Council;
  - Updating and providing additional details with regard to Biodiversity Net Gain;
  - Updating the open space standards to reflect the new guidance published by Fields in Trust; and
  - General updating of relevant strategies and guidance where those have been updated or new guidance has been published.

- 8.3. Since the adoption of the Developer Contributions SPD, Hertfordshire County Council (HCC) have published a [“Guide to Developer Infrastructure Contributions”](#) in 2024. This document provides an overview of the obligations which HCC might seek to mitigate the impact of development. There was a considerable amount of duplication between the Developer Contributions SPD and the guidance set out in the HCC Guide. In the interests of providing clear guidance and to avoid duplications, these references have been deleted.
- 8.4. The requirement for developers to provide for Biodiversity Net Gain (BNG) became mandatory for developers after the adoption of the Developer Contributions SPD. The draft Developer Contribution SPD has been amended to reflect this and to provide additional guidance for developers.
- 8.5. The final significant amendments included in the draft Developer Contributions SPD are in the Open Space standards. Previously, the baseline requirements for open space in new development were based on the Fields in Trust Guidance for Outdoor Sport and Play Beyond the Six Acre Standard November 2020. This guidance has been superseded by the Fields in Trust Standards 2024. In terms of the guidance set out in the draft Developer Contributions SPD, these standards have been taken and have had target distances for types of open space in developments, so that there is a hierarchy of open spaces within new developments. It is intended that further guidance will be provided in the forthcoming District Design Code.
- 8.6. It is proposed that consultation on the draft Developer Contribution SPD will start in October 2025, with the results of that consultation being reported back to Cabinet in early 2026.
- 8.7. Overview & Scrutiny Committee have launched a Task & Finish Group to review processes around developer contributions more generally. This update of the SPD is separate and without prejudice to that investigation (and vice versa). As above, updates to the current SPD are required to ensure requests are based on up-to-date information. Any relevant outcomes from either workstream will be reported to the other to ensure consistent advice and decision-making.

## **9. LEGAL IMPLICATIONS**

- 9.1. The statutory basis for Supplementary Planning Documents and their preparation is set out by a range of acts and associated regulations including the Planning and Compulsory Purchase Act 2004 (as amended) and the Localism Act 2011. Detailed requirements for the preparation of SPDs, including requirements for consultation, are stipulated in the Town and Country Planning (Local Planning) (England) Regulations 2012).
- 9.2. The provisions for planning obligations are set out under Section 106 of the Town and Country Planning Act 1990.

## **10. FINANCIAL IMPLICATIONS**

- 10.1. The general costs of preparing Supplementary Planning Documents are met through existing staff resources and revenue budgets.

## **11. RISK IMPLICATIONS**

- 11.1. There are no new risk implications arising from this report. The Council has changed how it sets and monitors risks, as reported to Cabinet in March 2022. This will see a shift to strategic risks based on key projects such as the Local Plan.
- 11.2. The risks associated with not preparing a Developer Contributions SPD include:
- lack of clarity and uncertainty to case officers and applicants when negotiating and determining planning applications;
  - lack of consistency with the emerging Local Plan as well as national planning policy and guidance; and
  - a risk of not securing the maximum range and / or amount of contributions possible within the parameters of the CIL regulations.

## **12. EQUALITIES IMPLICATIONS**

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

## **13. SOCIAL VALUE IMPLICATIONS**

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

## **14. ENVIRONMENTAL IMPLICATIONS**

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

## **15. HUMAN RESOURCE IMPLICATIONS**

- 15.1 There are no new human resource implications arising from this report.

## **16. APPENDICES**

- 16.1 Appendix A : Draft Developer Contributions SPD

## **17. CONTACT OFFICERS**

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## **Developer Contributions**

## **Supplementary Planning Document**

**2025 – Public Consultation**

draft for consultation 2025

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draft for consultation 2025

# 1 INTRODUCTION

## 1.1 Overview

- 1.1.1 North Herts Council (NHC) is committed to ensuring that the necessary infrastructure, services and facilities are provided to support growth and development in the District.
- 1.1.2 This Supplementary Planning Document (SPD) sets out detailed guidance on the type and scale of developer contributions that will be sought to support new development in our area.
- 1.1.3 The aim of the document is to assist Council Officers, applicants, agents and Members through the planning application process in a fair, transparent and consistent way. This SPD does not cover every possible circumstance and/or obligation that may need to be taken into account.

## 1.2 Background and status of the SPD

- 1.2.1 This document has been produced by NHC to provide further information on requirements set out in our Local Plan. In particular, it expands upon Local Plan Policy SP7: Infrastructure Requirements and Developer Contributions.
- 1.2.2 ~~This SPD has been widely consulted upon, including with developers and members of the public. This is a draft revised version of the SPD which we will use to consult on with developers and members of the public before we prepare a final version.~~
- 1.2.3 This SPD is a material consideration when determining planning applications in the District and will be used when securing obligations, whether by Section 106 agreements or unilateral undertakings.

## 1.3 Legislative context

- 1.3.1 SPDs are documents which add further details to policies in a Local Plan. They can be used to provide further guidance on particular issues, but they cannot introduce new policies. SPDs are a form of Local Development Document produced under the 2004 Planning and Compulsory Purchase Act (as amended). Government regulations set out the requirements for producing SPDs<sup>1</sup>.
- 1.3.2 Section 106 of the Town and Country Planning Act 1990 allows Local Planning Authorities (LPA's) to enter into agreements with persons with an interest in land. These agreements can be used (but are not necessarily limited) to:
- Restrict the development or use of the land;
  - Require (parts of) the land to be used in a specific way;
  - Require the payment of a sum to the local authority.

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<sup>1</sup> The Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended)

- 1.3.3 The Community Infrastructure Levy Regulations 2010 (as amended) set out the requirements that planning obligations must fulfil. Planning obligations can only be used:
- To make the development acceptable in planning terms
  - Where they are directly related to the development; and
  - Are fairly and reasonably related in scale and kind to the development.
- 1.3.4 Paragraph: 4, reference ID: 23b-004-20190901 of the National Planning Practice Guidance (NPPG) makes clear that it is not appropriate for plan-makers to set out new formulaic approaches to planning obligations in SPD's or supporting evidence base documents, as these would not be subject to examination. Whether or not an obligation meets the test of fairly and reasonably related in scale and kind to the development will be assessed on a case-by-case basis considering the project, harm or stress added to such facilities (in the round) from the development proposed and considering the residual S106 figures arising from the viability evidence supporting the Local Plan<sup>2</sup>.
- 1.3.5 The pooling limits previously imposed by regulation 123 of the above Regulations have been omitted by way of regulation 11 of The Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019. This omission now allows more than five obligations to fund a single infrastructure project where the contribution meets the three tests set out in paragraph 1.3.3 of this document.

## 1.4 National policy context

- 1.4.1 The National Planning Policy Framework (NPPF) says that Local Plans should set out the contributions expected from development. This should include the levels and types of affordable housing and other infrastructure requirements. These policies should not undermine the deliverability of the Local Plan.<sup>3</sup>
- 1.4.2 LPA's should consider whether otherwise unacceptable development can be made acceptable through the use of conditions or planning obligations. Planning obligations should only be used where it is not possible to address unacceptable impacts through a planning condition<sup>4</sup>.
- 1.4.3 Where up-to-date policies set out the contributions expected from development, planning applications that comply with them should be assumed to be viable<sup>5</sup>.
- 1.4.4 The Government sets out requirements for considering viability in the NPPF and in associated NPPG. Local Plans should clearly set out the contributions that developers are expected to make towards infrastructure and affordable housing;

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<sup>2</sup> DSP – North Hertfordshire District Council – Local Plan Viability Assessment – Update – Final Report (August 2016); DSP – North Hertfordshire District Council – Local Plan Examination Addendum (Viability) (Proposed policies HS4 and HS5) (January 2018)

<sup>3</sup> NPPF Paragraph [3435](#)

<sup>4</sup> NPPF Paragraph [5556](#)

<sup>5</sup> NPPF Paragraph [5859](#)

there should be a standard approach to establishing land value; transparency and accountability through the publication of viability assessments and through improvements to the monitoring and reporting of Section 106 planning obligations<sup>6</sup>.

## 1.5 The Local Plan and Neighbourhood Plans

1.5.1 The North Hertfordshire Local Plan was adopted in November 2022. Policy SP7 of the Local Plan provides the main policy 'hook' for this SPD while other Local Plan policies have further requirements for developer contributions. This Policy is shown below.

### Policy SP7: Infrastructure requirements and developer contributions

The Council will require development proposals to make provision for infrastructure that is necessary in order to accommodate additional demands resulting from the development. We will:

- a) Require developers to provide, finance and / or contribute towards provision which is fairly and reasonably related in scale and kind to the development, including:
  - i. on-site and/or off-site improvements and infrastructure necessary as a result of the development in order to:
    - ensure appropriate provision of facilities and infrastructure for new residents;
    - contribute toward addressing cumulative impacts that might arise across multiple developments;
    - avoid placing unreasonable additional burdens on the existing community or existing infrastructure;
    - mitigate adverse impacts where appropriate; and/or
    - enhance critical assets or make good their loss or damage; and
  - ii. maintenance and/or operating costs of any such new provision;
- b) Ensure essential new infrastructure to support new development will be operational no later than the completion of development or during the phase in which it is needed, whichever is earliest;
- c) Refuse planning permission where appropriate agreements or processes ensuring criteria (a) and (b) can be met are not in place;
- d) Have regard to relevant national guidance or requirements in relation to planning obligations and any Community Infrastructure Levy or successor funding tariff which may be introduced by the Council;
- e) Work with landowners, developers and other agencies in facilitating the delivery of sites identified in the Local Plan and associated infrastructure and seek to overcome known obstacles; and
- f) Need robust evidence to be provided where developers consider that viability issues impact upon the delivery of key infrastructure and/or mitigation measures. This evidence will be used to determine whether an

<sup>6</sup> <https://www.gov.uk/guidance/viability>

appropriate and acceptable level of contribution and / or mitigation can be secured.

1.5.2 This document has been structured to broadly follow the chapters and topics set out in the Local Plan.

1.5.3 Developer contributions may also be required by policies set out in Neighbourhood Plans and applicants should have regard to such policies when formulating development proposals.

## **1.6 Developer contributions, planning obligations, S106 and Community Infrastructure Levy (CIL)**

1.6.1 Developer contributions are normally secured through planning obligation agreements under Section 106 of the Town and Country Planning Act 1990.

1.6.2 The terms 'developer contributions', 'planning obligations' and 'Section 106' (s106) are used interchangeably but generally refer to the same things. Agreements may be used to ensure that the impacts arising as a result of a new development can be addressed. They are also a valuable way of ensuring that a development complies with planning policies contained in the Local Plan and any Neighbourhood Plans.

1.6.3 Planning obligations may be set out in a Section 106 agreement between the Council and the developer (and any other relevant parties) or in a unilateral undertaking offered by the developer. Section 106 agreements and unilateral undertakings are individual, scheme-specific, legal documents. Such agreements or undertakings can contain a number of planning covenants which can relate to both financial and non-financial obligations. For further information on the instances where contributions may be sought, please refer to paragraph 2.1.3 below.

1.6.4 ~~The Government has set out the intention to introduce a new Infrastructure Levy (IL) in the Levelling-up and Regeneration Bill. The IL would be charged on the value of the property when it is sold and applied above a minimum threshold, with levy rates and minimum thresholds set by local authorities. A consultation on the IL is expected in the coming months. We do not yet know the precise nature of, or timetable for, any IL and the information to date suggests that site-specific obligations will continue to have some role. It is likely that elements of this document and the guidance contained within will remain a material planning consideration in the assessment of future planning applications if an IL is subsequently introduced.~~

## **1.7 Sustainability Appraisal**

1.7.1 This SPD has been reviewed against the Environmental Assessment of Plans and Programmes Regulations 2004 (commonly referred to as the 'Strategic

Environmental Assessment Regulations). This scoping exercise has shown that this SPD does not require an SEA to be undertaken.

## **1.8 Cross-boundary issues**

- 1.8.1 There may be instances where the impacts of development that lie within other local authority areas may affect areas within the District. When notified of developments that could potentially affect the delivery of services by NHC, the authority will discuss these with the relevant local authority and seek obligations from the developer accordingly. In these cases, the Council would expect a clause enabling money to be transferred for spending in the District if necessary.
- 1.8.2 The Council will make reciprocal arrangements to those set out above should a development falling within the NHC administrative boundary have cross-boundary impacts affecting another authority area(s).
- 1.8.3 The above approaches will also apply, having regard to the general principles in this document, in relation to any Nationally Significant Infrastructure projects (NSIPs) in or affecting the District.

## **1.9 Other providers that may seek S106 contributions**

- 1.9.1 A range of infrastructure providers may seek contributions from new development. This includes, but is not limited to, Hertfordshire County Council, the NHS, the Police and Crime Commissioner for Hertfordshire and local Parish, Town or Community Councils. These are indicated under the relevant topic areas below. Guidance should also be taken from programmes from these other authorities, such as the Hertfordshire County Council Guide to Developer Infrastructure Contributions document<sup>7</sup> (or any such subsequent Hertfordshire County Council document), or neighbourhood development plans from local Councils.
- 1.9.2 Hertfordshire County Council will normally be signatories where contributions are required for services they provide. Other providers may also be required to be signatories to the S106 agreement. The decision to make any other provider a signatory will be based on the level of financial contribution sought by the other provider.

## **1.10 Infrastructure Planning and Funding**

- 1.10.1 Any provider (other than NHC, Hertfordshire County Council and any Parish or Town Council) seeking a financial contribution in excess of £250,000 will, on a case-by-case basis, be requested to be a third-party signatory to the Section 106 agreement. This threshold has been set as holding funds in excess of this figure for third parties or transferring monies without adequate safeguards represents an unacceptable financial and audit risk for NHC. The need for third parties to become signatories will be considered having regard to, but not limited to, the

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<sup>7</sup> Hertfordshire County Council Guide to Developer Infrastructure Contributions, [Planning obligations and developer infrastructure contributions | Hertfordshire County Council](#)

level of contributions anticipated, the matters they relate to, the number of signatories involved and any bearing on the timescales for the delivery of the development.

1.10.2 In certain circumstances, it may be necessary to deliver infrastructure ahead of multiple planned developments in order to address the specific needs of an area. This early delivery may be led by the Council, Hertfordshire County Council, or other relevant bodies. Developers of subsequent schemes will be required to contribute proportionately to the cost of this infrastructure, even if it is already in place and operational at the time their proposals are determined. This approach helps to mitigate financial and logistical risks for individual developers and enhances community acceptance by demonstrating tangible benefits associated with development. Where such forward funding occurs, a clear rationale will be provided, along with defined expectations for contributions from future development proposals.

4.10.41.10.3 An Infrastructure Delivery Plan (IDP)<sup>8</sup> is part of the Local Plan evidence base and sets out the requirements for infrastructure over the plan period. A new Infrastructure Delivery Plan (IDP) is currently being undertaken and will support and inform our new Local Plan. The IDP will need to be updated regularly to take into account the infrastructure needs of the District, including any updating of costs that is required.

4.10.21.10.4 The IDP examines the supply and demand for infrastructure based on forecasts of population growth. The IDP assesses current and future infrastructure needs across the district, ensuring that planned growth is supported by appropriate and timely delivery of essential services and facilities.

4.10.31.10.5 Individual Council departments have priority projects that are set out in relevant strategies and action plans. These are identified under specific topics elsewhere in this SPD. Applicants should also have regard to other plans and strategies prepared by other service providers.

4.10.41.10.6 In addition to updating the IDP, we are required to publish an Annual Infrastructure Funding Statement. The latest version is available to view on our website<sup>9</sup>. ~~s are a requirement of Regulation 121A of the Community Infrastructure Levy Regulations 2010 as amended by Regulation 9 of the Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019.~~

## **1.11 Strategic sites and masterplanning**

1.11.1 Policy SP9 of the 2022 Local Plan requires the masterplanning of strategic and significant development sites, generally defined as developments of 100 or more

<sup>8</sup> Infrastructure Delivery Plan to support the North Hertfordshire Local Plan 2011-2031 (2016) - [TI1 Infrastructure Delivery Plan.pdf \(north-herts.gov.uk\)](#)

<sup>9</sup> [Infrastructure Funding Statement : Planning obligations \(section 106 agreements\) | North Herts Council](#)

homes. The Council has published detailed guidance on the masterplanning process and the expected contents of masterplans<sup>10</sup>. This includes an IDP allowing for early identification of strategic infrastructure requirements. This would involve a high-level indication of the key items of infrastructure required by the development, which would be linked to the phasing of the scheme. It would also set out the mechanisms required for management and maintenance. The Local Plan identifies six Strategic Sites, for which there are detailed policies. For these sites a strategic masterplan should be provided for the whole allocation to ensure that infrastructure provision fully meets the demands arising from development. The Strategic Sites are:

- Policy SP14: Site BA1 – North of Baldock
- Policy SP15: Site LG1 – North of Letchworth Garden City
- Policy SP16: Site NS1 - North of Stevenage
- Policy SP17: Site HT1 - Highover Farm, Hitchin
- Policy SP18: Site GA2 - Land off Mendip Way, Great Ashby
- Policy SP19: Sites EL1, EL2 & EL3 - East of Luton

- 1.11.2 The Strategic Sites will need to address any specific contribution requirements set out in their individual policies, other relevant policies in the Plan and in this document. Developers should be aware that non-financial obligations may be required to secure details outside of the scope of this document, such as securing a masterplan, the final location and use splits of local neighbourhood centres, or management plans for the maintenance and sustainability of any new neighbourhood centres required as a result of the development.
- 1.11.3 For sites of between 100 and 500 homes (or as otherwise captured by Policy SP9), the Council's masterplanning requirements will be applied in a proportionate manner having regard to the nature of the scheme proposed and the key issues.
- 1.11.4 The Council encourages the production of masterplans prior to the submission of a planning application. Detailed Section 106 discussions will not normally take place at this stage. However, it is anticipated that the masterplan process will normally 'dovetail' into a bespoke pre-application and / or a planning application where more detailed information may be sought or provided in line with this SPD.

## 1.12 Nationally Significant Infrastructure Projects (NSIPs)

- 1.12.1 ~~Since the adoption of the 2022 Local Plan, the Secretary of State has granted consent for the expansion of London Luton Airport up to 32 million passengers per year. This is currently subject to the outcome of a Judicial Review. Since the production of the Local Plan, work to expand Luton Airport has commenced. The Council has been involved in ongoing engagement regarding this project. The project has been registered with the National Infrastructure Commission and a Development Consent Order application is anticipated in 2023. The expansion~~

<sup>10</sup> <https://www.north-herts.gov.uk/approach-masterplanning>

~~of Luton Airport and any further NSIPs will be dealt with by the Planning Inspectorate, as set out in the Planning Act 2008.~~

1.12.2 The Council may seek appropriate contributions from any part of any NSIP in or affecting the District, in line with the advice and principles in this document.

### **1.13 Developer Infrastructure Contributions for Hertfordshire County Council**

1.13.1 Hertfordshire County Council have prepared a “Guide to Developer Contributions”<sup>11</sup> which provides an overview of the planning obligations that might be sought by the County Council to mitigate the impact of development. Applicants should have regard to the Guide in addition to the provisions set out in this SPD. The Guide includes details on:

- Transport;
- Education (Early Years);
- Education (Mainstream Schools);
- Education (Special Schools and Specialist Provision);
- Services for Young People;
- Libraries;
- Waste Management;
- Fire and Rescue Services;
- Adult Care Services;
- Children’s Homes; and
- Land Matters

4.12.2

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<sup>11</sup> Guide to Developer Contributions – Hertfordshire County Council, 2024

## 2 PROCESS, PROCEDURE & MANAGEMENT

### 2.1 Pre-application stage

- 2.1.1 Pre-application discussions offer the opportunity for the council to clarify the planning policies and material considerations that will be relevant to determining an application, as well as enabling issues to be resolved through a collaborative process.
- 2.1.2 NPPF paragraph [96 101](#) sets out that engagement between local authorities and promoters, delivery partners and statutory bodies before applications are submitted can ensure the faster delivery of public service infrastructure.
- 2.1.3 Discussions regarding the type and level of developer contributions should take place at the pre-application stage. Draft S106 Heads of Terms will be considered at this stage. The Council will accept the submission of and develop a draft Heads of Terms as part of any pre-application advice for housing developments expected to exceed 10 units or 0.5 hectares, or any other form of development for which an obligation may be expected. The level of detail included will depend on the specific issues relating to the proposed development, as well as whether an Outline or Full planning permission to be is sought. Where proposals are general in nature, for instance unit mixes are not yet specified, indicative S106 contributions will be calculated on the assumption that any future scheme would be fully policy- compliant.
- 2.1.4 Where an application requires developer contributions that would be delivered by an organisation other than the Council or the applicant, pre-application discussions may be encouraged with that organisation also. This may include, but is not limited to, discussions with: Registered Providers, Hertfordshire County Council, the Police and Crime Commissioner on behalf of Hertfordshire Constabulary, utility providers and the NHS. The Council will approach most organisations which will be engaged in the forming of the S106 obligations document. The above organisations are recommended as they provide independent, chargeable, pre-application advice services, or have particular requirements which may require further, independent engagement.
- 2.1.5 For schemes where viability is raised as an issue by the applicant, a draft viability appraisal will be required at pre-application stage if comments from the Council are required on this matter. For further advice, please see section 2.3 of this document.

### 2.2 Application stage

- 2.2.1 Where pre-application discussions have identified that developer contributions will be required, applicants should submit heads of terms with their planning application.
- 2.2.2 Any developer contributions required will be considered at application stage by the case officer, other Council directorates, Hertfordshire County Council and

any other external service providers and statutory consultees as relevant to the application. All developer contribution requests and requirements will be coordinated by the relevant NHC case officer. This is to ensure that:

- correct processes are followed;
- applications can be dealt with in a fair and consistent way having regard to all relevant policy requirements; and
- all requests for contributions are assessed to meet the relevant regulatory and policy tests.

2.2.3 This holistic approach may require compromise between competing interests (for example the preferred approach of the highway authority vs urban design and place-making considerations). Whilst applicants are encouraged to engage in pre-application discussions with certain organisations, no obligation should be agreed in principle independently of the case officer representing the Council to ensure that competing demands can be appropriately balanced.

2.2.4 The case officer will discuss the required developer contributions with the applicant, ensuring conformity with CIL Regulations 2010 (as amended). Where agreement cannot be reached between the applicant and the Council regarding the required obligations, or the applicant does not sign the S106 legal agreement within the required timescales, the planning application may be refused by the Council<sup>12</sup>. For this reason, close dialogue between case officers and specific Council service areas and applicants is recommended from an early stage.

2.2.5 Planning applications that require obligations and that are determined by the Council's Planning Control Committee will not normally be recommended favourably to the Planning Control Committee until all parties to the agreement have agreed the content of the document. The legal documents which secure the obligations, whether via section 106 or unilateral undertaking, must be agreed with regard to the wording of definitions, scale, phasing of delivery and trigger points of any obligations prior to the deadline for draft reports for the targeted Committee date.

2.2.6 Standard templates for legal agreements and Unilateral Undertakings can be found on the Council's webpage at: [https://www.north-herts.gov.uk/home/planning/apply-planning-permission/planning-obligations/Advice on Planning Obligations | North Herts Council](https://www.north-herts.gov.uk/home/planning/apply-planning-permission/planning-obligations/Advice%20on%20Planning%20Obligations%20-%20North%20Herts%20Council).

2.2.7 Developers / applicants will need to produce satisfactory proof of title for their particular site and all persons with an interest in the development site including owners, mortgagees, tenants and option holders must be party to the agreement.

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<sup>12</sup> Where planning applications are refused in this way on the advice of a consultee, that consultee will be responsible for defending their advice to the Council at any future appeal by the applicant. Consultees can have costs awarded against them at appeal in specified circumstances. See <https://www.gov.uk/guidance/appeals>

- 2.2.8 Applicants will be required to pay the Council's legal costs as well as their own for drafting and checking legal agreements and will need to provide a solicitor's undertaking to do so. Applicants should also be aware that a solicitor's undertaking to cover the County Councils legal costs for negotiating and checking of the legal agreement as well as proof of title will be required by Hertfordshire County Council where applicable.
- 2.2.9 Where an applicant challenges the contributions required at application stage on viability grounds, a viability appraisal will be required. For further advice, please see section 2.3 of this guidance document.

## 2.3 Viability

- 2.3.1 Applicants should ensure that development proposals adhere to Local Plan and Neighbourhood Plan policies and that these requirements are factored into land value. The Local Plan should be treated as the starting point, with the underlying viability evidence demonstrating overall viability<sup>13</sup>. This reflects NPPG, which states that where up-to-date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable. It is therefore up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage and where needed, provide evidence of what has changed since then.
- 2.3.2 Overpayment for land will not be accepted as a reason for reducing contributions.
- 2.3.3 A viability appraisal should cover and consider whether viability enhancements could improve the situation, for example deferring triggers for contribution payments. It should be an 'open book' assessment which should include information covering (but not necessarily limited to) the following:
- Existing use values;
  - Proposed use values (sales and rental);
  - Demolition and construction costs;
  - Finance and marketing costs;
  - Assumed yield;
  - Construction site abnormalities;
  - Development phasing/timetable.
- 2.3.4 A viability appraisal should be submitted at the application stage for any planning application where viability is a factor in determining the application. The viability appraisal will be independently assessed by consultants acting on behalf of the Council and the cost of this will be covered by the applicant.

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<sup>13</sup> DSP – North Hertfordshire District Council – Local Plan Viability Assessment – Update – Final Report (August 2016)  
DSP – North Hertfordshire District Council – Local Plan Examination Addendum (Viability) (Proposed policies HS4 and HS5) (January 2018)

- 2.3.5 A revised viability appraisal will be required where material changes are made following the submission of the planning application, or where there are delays where issues have not been resolved within the timescales originally envisaged.
- 2.3.6 NPPG provides further information on the expected requirements in relation to viability appraisals, including but not limited to: assessment of land value, inputs and assumptions as well as an open book approach and ensuring accountability. The viability assessment shall be treated as a public document and made available on the Council's planning portal in line with national policy.

## **2.4 Viability review mechanisms**

- 2.4.1 The Council will consider using a viability review mechanism where obligations or covenants are agreed at lower than policy compliant levels on viability grounds. A viability review mechanism can trigger a review of the originally agreed contributions where there is an improvement in viability and/or broader economic conditions since the original viability appraisal was undertaken.
- 2.4.2 A viability review mechanism may be used for multi-phased or long-term development schemes. Viability review mechanisms may also be appropriate whereby there are large scale, estimates or bespoke costs which may be subject to change or further surety upon investigation. The trigger point(s) for review will be set out at application stage and be relevant to the reason for the inclusion of the viability review mechanism. Further developer contributions will only be required if a surplus is identified during the review over and above the returns necessary to be deemed viable.
- 2.4.3 The applicant will be expected to pay for the full cost of a viability appraisal required by a viability review mechanism. The appraisal should meet the requirements set out above. The viability review mechanism would be included in the S106 agreement, and will, as is necessary, be bespoke based on the facts of the case and reasons for its inclusion in the first place.

## **2.5 Policy priorities and planning obligations**

- 2.5.1 This SPD outlines in further detail the type of planning obligations that may be required. The coverage of likely obligations is not exhaustive, and each application will be considered on its merits on a case-by-case basis. Nonetheless, in every instance, the obligations sought will be in line with the CIL Regulations 2010 (as amended or subsequently replaced).
- 2.5.2 Paragraph 4.90 of the [2022](#) Local Plan identifies that there may be instances whereby policy requirements are prioritised. Where an agreed viability study has been produced in accordance with relevant policies, the Council will consider the requirements most critical to securing development and meeting the overall objectives of the Local Plan.
- 2.5.3 The Council will normally prioritise those contributions that have been properly tested through the Local Plan, in accordance with NPPG. The Council will have

regard to potential alternative sources of funding and / or the likelihood of direct funding (in whole or part) of infrastructure for which S106 requests have been received.

- 2.5.4 Whether contributions have been subject to appropriate levels of consultation, examination and / or testing, is a significant factor in the viability of a scheme. The Council reserves the right to continue to require fully policy-compliant affordable housing provision (and other forms of properly tested contributions) at the expense of other requests.
- 2.5.5 The Council will seek to work with the relevant infrastructure provider to understand other potential forms of funding to fill any shortfall and negotiate an appropriately reduced level of contribution from the applicant.

## 2.6 Deeds of variation

- 2.6.1 In some cases, it may be necessary to change the contents of an agreement after it has been completed and signed. In such instances, the variation would need to be agreed by all parties affected by the variation prior to the submission of any application under Section 106B of the Town and Country Planning Act 1990 (as amended). This will result in additional costs to the applicant to take into account the negotiation, preparation and drafting of the variation. These costs include the costs of the applicant's legal representation, the reasonable costs of any signatories' legal representation as well as the costs of the application to vary or modify an obligation in of itself.

## 2.7 Monitoring, enforcement and allocation

2.7.1 Charging for monitoring fees is provided for under Regulation 122 of the Community Infrastructure Levy Regulations 2010<sup>14</sup>.

2.7.12.7.2 The Council will monitors all planning obligations and agreements, taking into account the trigger points and the different obligations included for both the developer and the Council. ~~Monitoring fees will be sought through S106 agreements and will meet the requirements of Part 11 Regulation 122 of the Community Infrastructure Levy Regulations 2010 as amended by Regulation 10 of the Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019.~~ Those requirements are that the sum to be paid fairly and reasonable relates in scale and kind to the development and does not exceed the authority's estimate of its costs. Fees may be required to cover the cost of land transfer, where applicable.

2.7.22.7.3 The authority's estimate of costs for monitoring of obligations will, necessarily, be bespoke and context dependent. The estimated costs may include the

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<sup>14</sup> The Community Infrastructure Levy Regulations 2010, as amended by Regulation 10 of the Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019.

monitoring costs of other departments in and or outside of the Council. Fees for monitoring will be negotiated by the case officer.

~~2.7.3~~2.7.4 The Council may additionally seek contributions to cover reasonable legal costs, such as for the transfer of land for open space.

~~2.7.4~~2.7.5 The Town and Country Planning Act 1990 (as amended) outlines provisions for local authorities to enforce planning obligations. Due to this, the applicant may be required to provide evidence as the development progresses that all financial and non-financial obligations have been met.

~~2.7.5~~2.7.6 The Council will charge interest on any payment that is paid late, and this will be payable from the date that the payment was due to the date of payment. Interest will be applied at two percentage points above the base lending rate of Lloyds Bank, as varied from time to time.

~~2.7.6~~2.7.7 A S106 agreement and Unilateral Undertaking report is produced by the Planning Department and the information is reported quarterly to the Planning Control Committee and updates are provided on the website: Planning obligations (section 106 agreements) | North Herts Council. Area Committees annually. This information can be found on the following webpage: <https://democracy.north-herts.gov.uk/mgListCommittees.aspx?bcr=1>

~~2.7.7~~2.7.8 The Council will comply with the requirements of Part 10A, Regulation 121A of the Community Infrastructure Levy Regulations 2010 as amended by Regulation 9 of the Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019 in so far as it relates to planning obligations. The Council also produces an annual Infrastructure Funding Statement.

## **2.8 Indexation**

2.8.1 Commuted sums will be indexed linked from the date of the agreement to the date when the contribution is requested. Where the contribution relates to a commuted maintenance payment, this will be index linked from when maintenance costs are agreed. The Retail Price Index (RPI) Consumer Price Index CPI will be used for ongoing revenue costs, and PubSec for all capital costs. This is to ensure that the value of an obligation does not reduce over time. This information is subject to change.

2.8.2 ~~For contributions required by Hertfordshire County Council, indexation will be calculated having regard to any relevant requirements in their own planning obligations guidance<sup>15</sup>.~~

## **2.9 Bonds**

2.9.1 A bond may be used in cases where a developer will be delivering the work or where payments are phased. For instance, where the contribution relates to

<sup>15</sup> ~~Hertfordshire County Council Guide to Developer Infrastructure Contributions, Planning obligations and developer infrastructure contributions | Hertfordshire County Council~~

Highway infrastructure works, a bond may be used to provide a guarantee to the Council that the infrastructure can be delivered and to required standards.

- 2.9.2 Bonds may also be requested by the Council to hold for future decommissioning works, such as a solar farm subject to a temporary planning permission or in other circumstances deemed appropriate.

draft for consultation 2025

### 3 ECONOMY AND TOWN CENTRES

<a href="#">2022</a> Local Plan Policies	Other relevant Strategies & Guidance
<ul style="list-style-type: none"> <li>• SP3: Employment</li> <li>• SP4: Town Centres, Local Centres and Community Shops</li> <li>• SP9: Design and sustainability</li> <li>• ETC3: New retail, leisure and other main town centre development</li> <li>• ETC6: Local Centres</li> <li>• D1: Sustainable design</li> <li>• Site-specific policy criteria</li> </ul>	<ul style="list-style-type: none"> <li>• Hertfordshire LEP Strategic Economic Plan, <a href="#">July 2017</a></li> <li>• Hertfordshire Skills Strategy <a href="#">2021 – 2024</a></li> <li>• NHDC Economic Development Strategy, <a href="#">2015</a></li> <li>• Town Centre Strategies for Baldock, Hitchin, Letchworth Garden City and Royston</li> <li>• Hertfordshire Growth Board Strategies</li> </ul>

#### 3.1 Policy context

- 3.1.1 The NPPF seeks to support economic growth and support the role that town centres play at the heart of local communities<sup>16</sup>.
- 3.1.2 The [2022](#) Local Plan sets out our aspiration to provide an appropriate balance between skills, housing, and economic development. It recognises the contribution of ‘footloose’ careers in sectors such as construction and the trades in the overall employment balance of the District.
- 3.1.3 The retail policies of the [Local](#) Plan seek to maintain the vibrancy and vitality of key centres within the District. This includes the main town centres of our largest settlements as well as smaller parades of shops serving a local function.
- 3.1.4 ~~The Hertfordshire Local Enterprise Partnership (LEP)~~ [Hertfordshire Futures](#) provides the strategic framework for economic growth within the county. This is supported by local strategies for economic development in the District and [for](#) our town centres.

#### 3.2 Business, economic development, local employment and training

- 3.2.1 We will support and promote the use of local people and businesses through the construction and delivery phases of new developments. We will particularly encourage these on our larger and strategic sites. These will have build-out periods lasting a number of years and will deliver significant employment and supply-chain opportunities over a prolonged period. Once implemented they will provide ongoing employment opportunities in shops, schools, and other facilities.

<sup>16</sup> NPPF Paragraphs 86

On longer-running schemes we will also encourage the creation of apprenticeship programmes providing the opportunity for local people to develop skills and put these into practice. These approaches will help to deliver social value through the planning system.

3.2.2 Where these measures are pursued, we will incorporate a (commitment to the production of a) Local Labour Agreement within the S106 agreement. The detail of the Local Labour Agreement should be informed having regard to recognised resources and toolkits such as the Construction Industry Training Board's client-based approach<sup>17</sup>. The use of the Hertfordshire Opportunities Portal (HOP) and North Hertfordshire College ~~the North Herts College~~ will be encouraged for training, apprenticeships and employment opportunities.

3.2.3 Any specific requirements relating to built development for employment uses are set out in relevant policies and site criteria. Where appropriate and necessary, relevant measures may be secured in any legal agreement relating to the relevant planning application(s) for those schemes.

### 3.3 Regeneration, town centres and streetscapes

3.3.1 Each of the District's four main towns has a recognisable town centre. Over time a range of enhancement works have been carried out to maintain their distinctive characters and vibrancy. ~~A range of organisations may be involved in projects in the town centres, including but not limited to, the Business Improvement Districts (BIDs) and the Letchworth Garden City Heritage Foundation.~~ Contributions towards future town centre public realm enhancements will be sought from relevant major development schemes potentially including (but not necessarily limited to):

- Schemes for development within existing town centres;
- Schemes for out-of-centre development where such contributions may help preserve the vitality and / or viability of the existing centre(s); and
- Schemes elsewhere that may result in a substantive increase in footfall in existing town centres.

3.3.2 Major residential or non-residential development schemes near town centres have the potential to drive substantive increases in footfall in town centres. Schemes for out-of-centre development will have to meet the necessary policy tests with regard to the sequential and impact tests. It may be that within the impact tests, contributions could be nominated or sought to mitigate harm to the vitality or viability of an existing town centre to an acceptable level.

3.3.3 Contributions may be sought for improvements to the wider public realm, the installation of specific facilities such as bike racks, wayfinding signage, ~~other or~~ street furniture or features such as public art. Specific projects for which contributions may be sought will be identified in an updated suite of Town Centre Strategies. Following the adoption of the 2022 Local Plan, work on a

<sup>17</sup> [National Skills Academy for Construction \(NSAFC\) - CITB](#)

~~replacement Town Centre Strategy is underway. Work on these is due to commence now the Local Plan has been adopted.~~

- 3.3.4 Where potential improvements are identified adjacent or otherwise in close proximity to a development site it may be appropriate for the applicant to carry out works directly with the approval of any other relevant bodies (such as the freeholder of the land affected). Such an agreement will be on a case-by-case basis, and if not feasible, financial contributions may be sought.
- 3.3.5 Improvements to public realm will not necessarily be confined to the main town centres. Where appropriate, we will seek contributions towards public realm improvements in smaller centres and other areas which play an important role in defining place and supporting the day-to-day function of the built environment. Priorities for public realm enhancements may be identified in Neighbourhood Plans or other locally led strategies or initiatives, such as Parish Plans. Applicants should have regard to any relevant policies or requirements applicable to their scheme.
- 3.3.6 The Council may seek contributions towards the ongoing maintenance of any public realm improvements to be provided.

2022 Local Plan Policies	Other relevant Strategies & Guidance
<ul style="list-style-type: none"> <li>• SP6: Sustainable transport</li> <li>• SP9: Design and sustainability</li> <li>• SP10: Healthy communities</li> <li>• T1: Assessment of transport matters</li> <li>• T2: Parking</li> <li>• D1: Sustainable design</li> <li>• D4: Air quality</li> <li>• Site-specific policy criteria</li> <li>• Appendix 4 <u>of the Local Plan</u>: Car Parking Standards</li> </ul>	<ul style="list-style-type: none"> <li>• Vehicle Parking at New Developments SPD – <u>November 2011</u></li> <li>• Design SPD – <u>July 2011</u></li> <li>• NHDC Transport Strategy, <u>2017</u></li> <li>• <u>NHDC Parking Strategy, 2019</u></li> <li>• <u>North Hertfordshire District Local Cycling and Walking Infrastructure Plan (LCWIP) – September 2023<sup>18</sup></u></li> <li>• <u>Hertfordshire Rights of Way Improvement Plan<sup>19</sup></u></li> <li>• Hertfordshire County Council Guide to Developer Infrastructure Contributions<sup>20</sup></li> <li>• <u>Hertfordshire Local Transport Plan 2018 – 2031 and supporting strategies<sup>21</sup></u></li> <li>• <u>The North Central Hertfordshire Growth &amp; Transport Plan – May 2022<sup>22</sup></u></li> <li>• <u>Hertfordshire Active Travel Strategy – June 2024</u></li> <li>• <u>Hertfordshire County Council's Highways Design Guide</u></li> <li>• <u>Hertfordshire County Council : Highways Place and Movement Planning and Design Guide – March 2024<sup>23</sup></u></li> <li>• <u>Hertfordshire County Council Travel Plan Guidance<sup>24</sup></u></li> </ul>

<sup>18</sup> <https://www.hertfordshire.gov.uk/about-the-council/consultations/transport-and-highways/lcwips-2022/north-hertfordshire-local-cycling-and-walking-infrastructure-plan.aspx>

<sup>19</sup> [https://www.hertfordshire.gov.uk/services/recycling-waste-and-environment/countryside-access/rights-of-way/rights-of-way.aspx#DynamicJumpMenuManager\\_1\\_Anchor\\_3](https://www.hertfordshire.gov.uk/services/recycling-waste-and-environment/countryside-access/rights-of-way/rights-of-way.aspx#DynamicJumpMenuManager_1_Anchor_3)

<sup>20</sup> Hertfordshire County Council Guide to Developer Infrastructure Contributions, [Planning obligations and developer infrastructure contributions | Hertfordshire County Council](#)

<sup>21</sup> <https://www.hertfordshire.gov.uk/services/recycling-waste-and-environment/planning-in-hertfordshire/transport-planning/local-transport-plan.aspx>

<sup>22</sup> [https://www.hertfordshire.gov.uk/services/recycling-waste-and-environment/planning-in-hertfordshire/transport-planning/transport-policy-and-supporting-strategies.aspx#DynamicJumpMenuManager\\_1\\_Anchor\\_2](https://www.hertfordshire.gov.uk/services/recycling-waste-and-environment/planning-in-hertfordshire/transport-planning/transport-policy-and-supporting-strategies.aspx#DynamicJumpMenuManager_1_Anchor_2)

<sup>23</sup> <https://www.hertfordshire.gov.uk/services/highways-roads-and-pavements/business-and-developer-information/development-management/highways-development-management.aspx#designguide>

<sup>24</sup> <https://www.hertfordshire.gov.uk/services/highways-roads-and-pavements/business-and-developer-information/development-management/highways-development-management.aspx#travelplans>

2022 Local Plan Policies	Other relevant Strategies & Guidance
	<ul style="list-style-type: none"> <li>• <a href="#">Department for Transport (DfT) Circular 02/2013<sup>25</sup></a></li> <li>• <a href="#">Department of Transport (DfT) Circular 01/2022 : Strategic road network and the delivery of sustainable development – December 2022<sup>26</sup></a></li> </ul>

## 4.1 Policy context

4.1.1 The levels of growth and development envisaged in the plan will place additional demands on transport and highway networks and planning obligations can be used to mitigate against these effects.

4.1.2 The NPPF asks that transport issues be considered from the earliest stages to allow development impacts to be addressed and so that opportunities to promote more sustainable modes of travel can be identified and pursued.<sup>27</sup>

4.1.3 Hertfordshire County Council is the local highway authority and has the primary responsibility for providing and maintaining transport infrastructure and some bus services in the District. As a statutory consultee, it is consulted on all applications for which S106, S278 or S38 works or contributions may be required (please see also paragraph 4.2.3 below).

4.1.4 [National Highways is responsible for the Strategic Road Network \(i.e. in North Hertfordshire the A1\). As a statutory consultee, it is consulted on all applications for which S106, S278 or S38 works or contributions may be required \(please see also paragraph 4.2.3 below\).](#)

4.1.44.1.5 The County Council's Local Transport Plan (LTP4) states that sustainable transport modes such as walking, cycling, and improving access to public transport are to be prioritised while working to reduce need for journeys overall. LTP4 is supported by a range of strategies. These are both topic-specific (e.g. rail strategy) and geographically based (e.g. area growth and transport plans). In particular, regard should be had to promoting modal shift as endorsed in LTP4, the Hertfordshire County Council's [Highways Design Guide, Place & Movement Planning and Design Guidance for Hertfordshire](#) as well as the management of highway impacts arising from the Local Plan where those impacts would be directly related to the development proposed.

4.1.54.1.6 The Local Plan sets out policies that align with LTP4 to ensure that transport provision across the District is sustainable and safe and that negative

<sup>25</sup> [Currently being updated](#)

<sup>26</sup> <https://www.gov.uk/government/publications/strategic-road-network-and-the-delivery-of-sustainable-development/strategic-road-network-and-the-delivery-of-sustainable-development>

<sup>27</sup> NPPF Paragraph [104109](#)

environmental impacts, such as noise and air pollution, can be avoided or mitigated.

~~4.1.64.1.7~~ Local Plan Policy T1: Assessment of transport matters, requires that Transport Statements, Transport Assessments and/or Travel Plans are provided where required, depending on the development type and size. Further guidance is included in the NPPF<sup>28</sup>. These documents provide an assessment of the likely transport impacts of the development in question. Where impacts cannot be fully mitigated, sustainable transport and highways planning obligations will be sought. This may include contributions towards more strategic projects in accordance with the CIL Regulations.

~~4.1.74.1.8~~ The Plan is supported by ~~a proposed the~~ NHC Transport Strategy. This identifies areas for intervention, recognising that these will be reviewed and refined on an on-going basis.

~~4.1.8~~ ~~National Highways is responsible for the Strategic Road Network (i.e. in North Hertfordshire the A1(M)).~~

~~4.1.9~~ ~~It is worth noting that in some instances, private landowners may be responsible where the provision is not on public highway.~~

## **4.2 Financial and non-financial obligations**

4.2.1 The Council will be guided by the response(s) of Hertfordshire County Council in determining measures required to mitigate transport impacts. The County Council's Guide to Developer Infrastructure Contributions (2024) provides an indication of the scale of requests they are likely to make in response to planning application consultations.

4.2.2 (Prospective) applicants should review the relevant strategies and guidance documents, including those listed above, to identify potentially relevant and suitable projects for which contributions may reasonably be sought.

4.2.3 In addition to S106 agreements, Section 278 (S278) agreements can be used as a mechanism to secure highway measures that cannot be addressed through the design of the proposed development. S278 agreements are used when the proposed works relate to the existing highway network, and Section 38 of the Highways Act is used where new highways are to be created and this can be provided by way of commuted sum where necessary. On occasions where the developer is solely responsible for delivering works, a S278 agreement may be used in place of S106, secured by way of Grampian condition. This will only apply to matters relating to timing and delivery, rather than the detail of the works.

~~4.2.4~~ ~~Section 278 agreements, Creation Agreements (under S.25 of the Highways Act 1990), Creation Orders (under S.26 of the Highways Act 1990) or whereby~~

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<sup>28</sup> National Planning Policy Framework (NPPF) Paragraph 118

~~landowners expressly dedicate under common law are methods by which Public Rights of Way can be delivered.~~

~~4.2.54.2.4~~ The applicant should discuss with the Council and other relevant service providers whether the developer is best placed to deliver the works on-site, or to provide a financial contribution ~~for another party to deliver the infrastructure required.~~

~~4.2.64.2.5~~ The cumulative transport impact of development proposals will also be taken into account, as set out in the Local Plan. ~~This can, which may~~ mean that ~~smaller a~~ schemes ~~of any size may be~~ expected requested to make appropriate a proportionate contributions towards a scheme or schemes ~~which are required~~ designed to address the combined cumulative impacts of ~~future~~ growth.

~~4.2.74.2.6~~ Non-financial contributions towards sustainable transport may also be required and may include ~~establishing securing a club car clubs and/or, micromobility hire vehicles (cycles and/or e-scooters) and docking stations (physical or virtual),~~ providing public electric vehicle charging infrastructure, land for Rights of Way improvements, and safe cycle storage. ~~These is requirements may relate to may be particularly important at off-site transport hubs and interchanges and other travel/mobility hubs.~~

~~4.2.8~~ ~~Where Travel Plans are required for a development, contributions may be sought for monitoring.~~

## 5 HOUSING

<u>2022</u> Local Plan Policies	Other relevant Strategies & Guidance
<ul style="list-style-type: none"> <li>• SP8: Housing</li> <li>• HS2: Affordable housing</li> <li>• HS3: Housing mix</li> <li>• HS4: Supported, sheltered and older persons housing</li> <li>• HS5: Accessible and adaptable housing</li> <li>• Site-specific development criteria</li> </ul>	<ul style="list-style-type: none"> <li>• Housing Strategy <u>2024 – 2029</u></li> <li>• <del>Homelessness Strategy</del></li> <li>• Tenancy Strategy <u>2024 – 2029</u></li> <li>• North Hertfordshire District Council Self-<del>b</del>Build and Custom House Building Guidance, <u>2024</u></li> </ul>

### 5.1 Policy context

- 5.1.1 The NPPF stresses the importance of addressing the needs of groups with specific requirements for housing<sup>29</sup>.
- 5.1.2 The Council's overall planning approach to Affordable Housing is set out in Policy HS2 of the Local Plan and supporting text. This section of the SPD provides additional information to aid interpretation of these requirements.
- 5.1.3 Further information on the Council's approach to Affordable Housing is set out in our Housing Strategy, 2024 – 2029, and ~~Tenancy Strategy~~. These, and other relevant documents, including the latest Strategic Housing Market Assessment, are provided on our website. Where relevant, this section of the SPD makes reference to the latest findings from these reports. However, these documents may be updated over the lifetime of this SPD and should always be referred to for the most up-to-date information.
- 5.1.4 Policies HS4 and HS5 contain specific requirements relating to housing for older persons and accessibility respectively.

### 5.2 Affordable Housing

#### Demonstrating compliance with Affordable Housing requirements

- 5.2.1 We encourage the submission of an Affordable Housing Statement alongside any relevant planning applications to demonstrate how the requirements of the Local Plan and this SPD have been met. This could also be submitted  
~~Alternately, the approach to Affordable Housing should be clearly set out~~ as a distinct section within one or more of the following documents (as applicable):

<sup>29</sup> NPPF Paragraph ~~60~~61

- Design & Access Statement
- Planning Statement
- Environmental Statement

5.2.2 The following details set out the Council's expectations in line with policy HS2 of the Local Plan. All expectations set out below will be secured in a legal agreement in any potential approval of a relevant application. In the event of an outline planning application with all or most matters reserved, these matters will remain secured in a legal agreement, up to, including and not limited to amount, tenure, mix and design.

### **Calculating the Affordable Housing requirement - Policy HS2(a)(i)**

5.2.3 Policy HS2 sets the following target percentages of dwellings to be affordable:

<b>Size of site (gross dwellings)</b>	<b>Target % of Affordable Housing</b>
11-14 dwellings	25%
15-24 dwellings	35%
25+	40%

5.2.4 When calculating the number of affordable units, the general approach will be to round the requirement to the nearest whole number. Where the requirement is subject to rounding up, the target levels of Policy HS2 may be slightly exceeded. As a general principle and having regard to the findings of our evidence<sup>30</sup>, this approach is unlikely to affect scheme viability. Subject to the exceptions below, the Council will not entertain viability appraisals or attempts to reduce the Affordable Housing contribution on this ground alone.

5.2.5 The impact of rounding the requirement can be more significant for smaller sites given the low numbers of units involved. We specifically recognise the potential impact upon schemes of 11, 14, 16 and 19 units. In these instances, we will determine the most appropriate approach having regard to:

- The nature of the scheme;
- The tenure of any proposed Affordable Housing products; and
- The proposed / potential Affordable Housing floorspace as a proportion of the overall development, particularly where larger units are proposed for private sale with smaller units proposed as the Affordable Housing contribution.

5.2.6 These factors will also be considered in other instances where the proposed Affordable Housing contribution does not comply with policy.

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30 North Hertfordshire District Council Local Plan Viability Assessment Update 2016 (Dixon Searle Partnership (DSP))

#### Off-site provision of Affordable Housing

- 5.2.7 Where the off-site provision of Affordable Housing or a financial contribution is agreed in principle (see below), the requirements of Policy HS2 should be met when viewing the application site and the 'donor' site(s) (or other agreed alternate form(s) of contribution) as a single entity.
- 5.2.8 A scheme for 100 units would normally generate an on-site requirement for 40 affordable homes, with the remaining 60 homes available for market sale ( $40 / 100 = 40\%$ ).
- 5.2.9 However, a scheme of 100 market sale homes with no on-site Affordable Housing would require off-site provision or a financial contribution equivalent to 67 affordable units to make the same contribution:  $(67 / (67+100) = 40\%)$ .
- 5.2.10 The table below summarises the equivalent percentages required to meet the targets in Policy HS2 where fully off-site provision or a commuted payment is to be made.

Size of site (gross dwellings)	Target % of Affordable Housing (on-site)	Off-site equivalent
11-14 dwellings	25% of all dwellings	33% of market homes
15-24 dwellings	35% of all dwellings	54% of market homes
25+	40% of all dwellings	67% of market homes

- 5.2.11 We will use bespoke calculations where it is agreed that the Affordable Housing is to be split between on-site and off-site provision.

#### Provision involving existing Affordable Housing

- 5.2.12 Where existing Affordable Housing is to be demolished or otherwise lost, we will normally expect that existing units will be replaced on a one-for-one basis with the targets of Policy HS2 then applied to any net additional units.
- 5.2.13 Exceptions to this approach will be considered on a case-by-case basis, for example when a scheme proposes replacement units that better meet identified Affordable Housing needs or where private sale units will cross-subsidise the scheme.

#### Vacant Building Credit

- 5.2.14 National policy provides an incentive for brownfield development on sites containing vacant buildings. This requires Affordable Housing requirements to be reduced based on the quantity of floorspace being brought back into use or replaced.

- 5.2.15 Vacant Building Credit is intended to incentivise the re-use of buildings or sites that would otherwise remain vacant or become derelict. It is not intended as a back-door means of reducing Affordable Housing contributions on otherwise viable sites.
- 5.2.16 Where Vacant Building Credit is applied for, the applicant should follow the principles set out for employment uses in Local Plan Policy ETC2 and provide evidence that the building has been actively marketed for its current use for a period of at least twelve months without success prior to submission of a planning application. This should demonstrate that the marketing has been conducted appropriately given the terms and rental / sales values compared to other similar properties.
- 5.2.17 Vacant Building Credit will not be applied where the above conditions are not met. [Further guidance is available in Planning Practice Guidance, paragraphs 026 – 028.](#)

### **Viability**

- 5.2.18 Our overall approach to viability is set out in Policy SP7 of the [2022](#) Local Plan and Section 2.3 of this SPD. Where a developer seeks to reduce Affordable Housing below target levels on viability grounds, the appraisal should demonstrate the impact of full compliance with the Affordable Housing Requirements in the Local Plan and this SPD on a 'nil grant' basis.
- 5.2.19 Any departure from policy compliant Affordable Housing provision on viability grounds will be negotiated on a case-by-case basis having regards to the findings of the viability study, scheme-specific circumstances and the potential for any alternate and / or reduced forms of contribution towards Affordable Housing.

### **On-site vs. off-site provision (Policy HS2(a)(ii))**

- 5.2.20 Affordable Housing is normally delivered in partnership with Registered Providers and can include schemes built through Community Land Trusts or other forms of co-operative provision. Our presumption is strongly in favour of Affordable Housing provision being made on site. Although some sites will deliver relatively low numbers of affordable homes, Registered Providers operating in the District are normally willing to take these on as part of their wider portfolio.
- 5.2.21 We recognise that there can be specific circumstances where it is not possible or appropriate to make Affordable Housing provision on site. This might include in some smaller flatted developments or where specialised accommodation within Use Class C3 is being provided.
- 5.2.22 Any (proposed) departures from on-site provision will be considered on a case-by-case basis. Where it is accepted that on-site provision is not feasible, we will

first seek provision on an alternate site. If this is not possible, we will seek a commuted sum in lieu of provision.

### Approach to off-site provision

- 5.2.23 Off-site provision may be an appropriate alternative where an alternate site is in possession of, or can be reasonably acquired or otherwise accessed by, the applicant who can then deliver affordable homes upon it in partnership with a Registered Provider in the normal way. The Affordable Housing provision on the 'donor' site will need to comply with relevant planning policies and the requirements of this SPD. It will normally be secured with an appropriate clause(s) in the legal agreement and / or Grampian condition on the principal site to ensure delivery of both schemes.
- 5.2.24 The 'donor' site should be reasonably related to the application site. In considering the acceptability of potential alternate sites, we will have regard to the approach taken by the Local Plan to Rural Exception sites. Alternate sites should normally be located within both a 15-minute drive time and a 30-minute journey time using passenger transport of the principal application site.

### Commuted sums

- 5.2.25 Where it is accepted that a commuted sum is required, the starting point for negotiation will be an equivalent payment sufficient to deliver the Affordable Housing requirement on an alternate site:
- The Affordable Housing requirement will be calculated in line with the requirements set out in this section of the SPD;
  - The cost per required affordable unit (the unit cost) will be based upon the provision of a 2-bed house (including land);
  - The unit cost will be derived from the costs set out in the Council's most recent District-wide viability assessment.
- 5.2.26 At the time of writing this approach gives a unit cost of £123,000.<sup>31</sup>

### C2 Uses and affordable housing

- 5.2.27 For the purposes of the ~~Local new~~ Plan, the Council has treated the need for and provision of housing within use-class C3 separately from the need for and provision of more specialist accommodation within use-class C2. The overall housing requirement and references to dwelling estimates for the Strategic Housing Sites and Local Housing Allocations are for C3 uses only. The [Local](#)

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<sup>31</sup> Taken from *North Hertfordshire District Council Local Plan Viability Assessment Update 2016 (DSP)*. Figure based upon: a base build cost for a 79m<sup>2</sup> 2-bed home at £1,190/m<sup>2</sup>; £4,500 site prep and survey costs; a 17% uplift on the base build cost for contingencies, fees and sustainable design & construction standards; £2,447 to achieve M4(2) accessibility compliance; and £9,250 to purchase 1/40<sup>th</sup> hectare of land at assumed greenfield enhancement value of £370,000 per hectare. Total rounded to nearest £1,000.

Plan relies on delivery of the housing allocations with policy-compliant affordable housing to meet future market and affordable housing needs in full.

5.2.28 Requirements for C2 uses are set out separately and in addition. A minimum target for the overall provision of C2 bedspaces is set in Policy SP8(g).

5.2.29 The Council will not normally seek the provision of affordable housing or affordable housing contributions from:

- C2 uses where they satisfy a specific policy requirement on Strategic Sites; or
- C2 uses on windfall sites not identified in the Plan

5.2.30 However, where a C2 use is otherwise proposed on a site allocated in the [Local Plan](#) for housing, the Council will seek a commuted sum for affordable housing that compensates for any loss of affordable housing units that might otherwise have been provided if the site had been fully developed for C3 use in accordance with the Plan.

5.2.31 The relevant sum will be calculated on a case-by-case basis using the dwelling estimate and affordable housing policies in the Plan and the guidance above on commuted sums.

#### **Expenditure of commuted sums for Affordable Housing**

5.2.32 Any specific provisions relating to the expenditure of the commuted sum, including time limits, will be set out in the S106 agreement. In general terms, commuted sums for Affordable Housing might reasonably be spent upon (but is not necessarily limited to):

- The delivery of additional affordable units on other S106 schemes;
- The provision of new affordable homes on (up to) 100% Affordable Housing schemes by the Council or a Registered Provider;
- The acquisition of (serviced) land to facilitate such schemes;
- The adaptation or modification of existing stock to meet standards and / or specific identified housing needs;
- The acquisition of homes on the open market for Affordable Housing; or
- The provision of other forms of housing providing homeless or temporary accommodation;

5.2.33 Specific projects may be identified in our Housing Strategy or other relevant documents and expenditure can take place anywhere in the District regardless of the location of the development to which the commuted sum relates. The Council will endeavour to locate commuted sum expenditure close to sites where the sum has been contributed, however, this may not always be viable or appropriate.

### Ensuring affordability (Policy HS2(a)(iii))

- 5.2.34 Housing affordability is a significant issue in the District. ~~The ratios of house prices to earnings are at the highest levels ever recorded.~~ Even with discounts applied, rents and purchase requirements for [affordable home ownership intermediate](#) products remain difficult to afford for many households.
- 5.2.35 The Local Plan recognises that it will be necessary to introduce rental caps at below 80% of market rates to ensure affordability, particularly for larger units. Our approach to rents, and seeking to ensure the affordability of all Affordable Housing products, is set out in our Housing Strategy [2024 – 2029](#) and Tenancy Strategy [2024 - 2029](#). We currently require the following rental levels:
- 1 & 2 bed properties: 80% of market rents
  - 3 bed properties: 70% of market rents
  - [4+](#) bed properties: social rents
- 5.2.36 All rents are to be within Local Housing Allowance Rates. Rents for 1-, 2- and 3-bed properties should achieve the percentages above inclusive of any service charges, management fees or similar.
- 5.2.37 The requirements in the Plan are based upon households allocating 35% of their gross income to housing. Applicants should demonstrate that any intermediate products, including the initial purchase percentage(s), will be affordable on this basis having regard to local income and house price data. House prices vary significantly across North Hertfordshire and district-wide price averages will generally not be considered an appropriate basis for making these calculations. In determining the affordability of products, any service charges, management fees or similar which may be applied should be included.
- 5.2.38 For shared ownership units, applicants should be able to purchase [in multiples of 1%](#) an initial equity share in the property of between [2510%](#) and 75%. The rent on unsold equity will be capped at 2.75% in accordance with Homes England [model shared ownership lease](#) requirements.
- 5.2.39 Due to the high cost of housing throughout the District, some forms of intermediate tenure products are considered unlikely to meet the affordability requirements of the [Local](#) Plan. This includes, but is not necessarily limited to, discounted market sales housing.
- 5.2.40 The Government recognises that shared ownership products can be hard to replace, particularly in rural areas. To address this issue, regulations identify Designated Protection Areas<sup>32</sup>. Within these, any shared ownership products will

<sup>32</sup> Designated Protected Area status only applies to parishes with populations of 3,000 or less. This is in accordance with The Housing (Shared Ownership Leases) (Exclusion from Leasehold Reform Act 1967) (England) Regulations 2009, ~~which came into force on 07 September 2009~~. These regulations included the introduction of Protected Area Status for settlements exempt from the Right to Acquire (i.e. those with populations of less than 3,000).

be required to restrict 'staircasing' to a maximum 80% equity share in the property.

5.2.41 Where applicable, these requirements will be incorporated into the legal agreement. The following parishes within North Hertfordshire are currently Designated Protection Areas:

- Ashwell
- Barkway
- Barley
- Bygrave
- Caldecote
- Clothall
- Codicote
- Graveley
- Hexton
- Hinxworth
- Holwell
- Ickleford
- Kelshall
- Kimpton
- Kings Walden
- Langley
- Lilley
- Newnham
- Nuthampstead
- Offley
- Pirton
- Preston
- Radwell
- Reed
- Rushden
- Sandon
- St Pauls Walden
- Therfield
- Wallington
- Weston
- Wymondley

#### **Affordable Housing tenures (Policy HS2(b)(i))**

5.2.42 Local Plan pPolicy [HS2](#) expects 65% of Affordable Housing units to be for rent with the remaining 35% other forms of Affordable Housing. The definition of the various housing types considered to be Affordable Housing is set out in Annex 2 of the NPPF.

5.2.43 When calculating the required tenure split, the number of rented units will normally be rounded to the nearest whole number. The number of intermediate units will normally represent the balance of the overall requirement.

5.2.44 On schemes of 25 units or more it should be possible to deliver the tenure split required by Policy HS2.

5.2.45 On schemes of less than 25 units, or in other instances where less than 10 Affordable Housing units are proposed or agreed, we will consider the most appropriate approach to tenure mix on a case-by-case basis having regard to the

above advice. It may not, for example, be desirable for a scheme to deliver a single intermediate unit. Equally, it may not be practical to deliver affordable rented units within a small block of flats.

- 5.2.46 The most appropriate mix of intermediate products will be negotiated on a case-by-case basis having regard to relevant evidence (including upon affordability) and the type and size of Affordable Housing product(s) proposed by the applicant or otherwise considered realistic in the context of the site and overall scheme.
- 5.2.47 The NPPF allows for self-build housing to be Affordable Housing. For this to be the case, the self-build must fall within one of the Affordable Housing types contained in the NPPF definition. Where any self-build housing is accepted as being a form of Affordable Housing (and vice versa) it will count towards any relevant policy targets or requirements for both forms of provision. Self-build not falling within the NPPF definition of Affordable Housing will not count towards, or otherwise be offset against, the Affordable Housing requirement.

### First Homes

- 5.2.48 First Homes were introduced by government in June 2021 as an additional affordable housing product. However, revisions to the NPPF in 2024 state that the requirement to deliver a minimum of 25% of affordable homes as First Homes no longer applies. Given the timing of the introduction of First Homes, the Local Plan does not account for First Homes in its housing policies. The housing policies contained in the Local Plan have been developed in line with the associated evidence base, which includes the Strategic Housing Market Assessment undertaken in 2016.
- ~~5.2.49 The Council is currently in the process of updating its Strategic Housing Market Assessment Volume II to include the implications of First Homes.<sup>33</sup> Once complete, this evidence base document will inform the approach to First Homes when determining planning applications.~~
- ~~5.2.50 Under transitional arrangements, once the Council has an up-to-date adopted Local Plan, there is not an automatic need to reflect the requirement for First Homes when considering planning applications.<sup>34</sup>~~
- ~~5.2.51 In addition, the Council has concerns over the operation of First Homes, including the following:~~
- ~~• The genuine affordability of this product to local residents that require assistance with their housing needs;~~
  - ~~• The potential 'displacement' of other forms of affordable housing; the combination of the 30% discount and £250,000 price cap means that smaller (1 and 2 bed) units are likely to be the most attractive option for~~

<sup>33</sup> As agreed at Cabinet held on 22 March 2022

<sup>34</sup> First Homes – GOV.UK ([www.gov.uk](http://www.gov.uk)) Paragraph: 018 Reference ID: 70-018-20210524

~~developers to provide as First Homes but these are the unit types where there is the most pressing need to secure affordable homes for rent;~~

- ~~• The potential impacts upon the viability of schemes to the detriment of affordable housing provision or other policy requirements or contributions; and~~
- ~~• The potential administrative burdens on the Council, particularly in relation to monitoring and enforcement, given any First Homes would not be transferred to a Registered Provider.~~

~~5.2.52 Given these concerns and the transitional arrangements, the Council will not normally support the provision of First Homes as part of the affordable housing mix. Nonetheless, the Council do recognise that National Planning Practice Guidance recommends a flexible approach to the delivery of First Homes<sup>35</sup> and, on occasion, there may be specific circumstances where it is necessary to consider their inclusion as an affordable housing product. The appropriateness of any First Homes will be considered on a case by case basis.~~

~~5.2.53 When assessing planning applications, First Homes will normally only be supported where it would not adversely impact upon:~~

- ~~• the overall proportion of affordable housing that can be achieved on site having regard to the targets in Policy HS2 of the Local Plan and the guidance in this SPD;~~
- ~~• the proportion of rented housing that can be achieved on site having regard to the Local Plan requirement for 65% of affordable homes to be rented;~~
- ~~• the mix of rented housing indicated as being required by the Council's Strategic Housing Market Assessment or other relevant evidence (e.g. local needs assessments or the housing waiting list); and~~
- ~~• any other policy requirements or contributions that have been properly tested through the Local Plan examination~~

~~5.2.54 5.2.49 Furthermore, given that First Homes will not be transferred to a Registered Provider there are potentially significant administrative implications for the Council. Due to this, the Council reserves the right to require contributions towards monitoring and enforcement.~~

### **Evidence of housing need (Policy HS2(b)(ii))**

~~5.2.55 5.2.50~~ The starting point for evidencing Affordable Housing need is the Council's latest Strategic Housing Market Assessment (SHMA)<sup>36</sup> ~~which~~ ~~– This~~ provides advice on overall requirements and advised tenure and mix requirements for the whole District. ~~The SHMA Volume II is currently being updated.~~ We supplement data from district-wide studies, with more localised information. [A new SMHA is](#)

<sup>35</sup> ~~First Homes – GOV.UK ([www.gov.uk](http://www.gov.uk))~~

<sup>36</sup> ~~North Herts and Stevenage SHMA Part II Update 2023~~

currently being prepared to support the review of the Local Plan. Once published, this should be used as a basis of housing need.

~~5.2.56~~5.2.51 Prospective applicants should contact the Council's Housing team for up-to-date housing register data. ~~We work with Hertfordshire County Council's Adults Supported Accommodation Strategic Board to identify and address specific housing needs.~~ Surveys for individual parishes are conducted in partnership with Parish Councils and Community Development Action's Rural Housing Enabler. Applicants should have regard to the findings for any up-to-date Parish surveys relevant to their site. Where a prospective applicant is considering bringing forward a significant scheme in a parish where there is no survey, or the survey is out of date, they should liaise with the Council at the earliest opportunity to determine whether it is practicable to produce or update a survey in advance of the submission of an application.

~~5.2.57~~5.2.52 Where an applicant is considering gathering their own evidence to inform the assessment of housing needs for their own project(s), we encourage early engagement with the Council's Housing Team to ensure any survey is appropriately defined.

~~5.2.58~~5.2.53 Any findings from the above will help inform whether there is justification to depart from the general tenure and mix requirements set out in the Local Plan and this SPD on a case-by-case basis.

~~5.2.59~~5.2.54 Applicants will need to demonstrate compliance with any additional or alternate requirements in Neighbourhood Plans that are brought forward following adoption of the Local Plan<sup>37</sup>.

### **Affordable Housing Mix (Policy HS2(b)(v))**

~~5.2.60~~5.2.55 The aim of the 2022 Local Plan is to meet assessed district-wide needs for Affordable Housing over the period to 2031. The starting point for consideration of an appropriate housing mix and split will ~~therefore be~~ our most recent Strategic Housing Market Assessment. ~~This document is currently being updated. We will consider whether any specific, local evidence justifies a departure from the general guidance in the SHMA on a case-by-case basis.~~

~~5.2.61~~5.2.56 ~~The current SHMA concludes that the requirements for Affordable Housing are split on an almost 50% / 50% basis between smaller (1 and 2-bed) and larger (3+bed) units. However, in calculating these requirements, it is assumed that current patterns of occupation will continue. Our Housing Strategy recognises there is evidence of 'under-occupation' of the existing Affordable Housing stock within the District. This is a particular issue with 3-bed homes given their prevalence across North Hertfordshire. The Local Plan recognises that increasing the proportion of smaller homes may, in particular, provide additional opportunities for older households to downsize. Most households in~~

<sup>37</sup> If policies in ~~the an-adopted~~ Local Plan conflict with policies in a more recently "made" an-adopted Neighbourhood Plan ~~(or vice versa)~~ the most recent plan policy takes precedence.

~~the top preference bands of the Council's Housing Register require smaller homes.~~

~~5.2.625.2.57 The above shows how the SHMA is the starting point for consideration of affordable housing mix and split. Other existing evidence shows the Council may seek a slightly higher proportion of smaller units. The Council may seek a differing proportion of unit sizes for affordable housing than that suggested by a straight reading of the SHMA based on all available evidence.~~

~~5.2.63 As set out above, we will consider whether any specific, local evidence justifies a departure from this general guidance on a case-by-case basis.~~

~~5.2.645.2.58~~ In considering the suitability of the proposed Affordable Housing mix, we will also have regard to other relevant policies of the Plan. Please refer to the following sections of this chapter in relation to self-build, older persons housing and housing accessibility.

### **Affordable Housing Design**

~~5.2.655.2.59~~ Wherever practicable, affordable housing design should be tenure blind. It should be physically indistinguishable from the market housing and on larger sites be distributed across the site in small clusters, rather than concentrated on one of two parts of the site. Affordable Housing should be distributed in a way which ensures that access to key facilities such as schools, local shops and open space is equivalent to that provided for market homes. Further guidance will be provided in the District Design Code.

~~5.2.665.2.60~~ Policy D1 of the Local Plan states that new homes must meet the Government's minimum nationally described space standards. In some instances, space requirements for Affordable Housing may be set at a higher level. Where there is conflict between two (or more) standards, the highest (most spacious) will be applied to the Affordable Housing.

~~5.2.675.2.61~~ The Local Plan requires that, where more than 10 Affordable Housing units are to be provided, 10% of these should be to the higher M4(3) wheelchair user standard. The 10% requirement will be rounded to the nearest whole number based upon the Affordable Housing requirement. These should be provided within rented tenure units and to wheelchair accessible standards wherever possible. Where this approach is not considered viable (and subject to the general guidance on viability in the Local Plan and this SPD), we will consider whether provision of units to the wheelchair adaptable standard is an appropriate alternative.

### **Registered Providers**

~~5.2.685.2.62~~ There are a ~~large~~ number of Registered Providers operating within the District. We do not have a preferred partner, nor do we recommend partners. We are able to provide contacts and facilitate introductions where required. The transfer of the Affordable Housing to the Registered Provider will normally be

subject to a separate agreement with the applicant / developer. The Registered Provider will not normally be a signatory to the legal agreement.

**5.2.69****5.2.63** Some forms of Affordable Housing do not need to be delivered by a Registered Provider. Where this is the case, we will consider whether it is appropriate to secure a bond or other form of guarantee in the legal agreement. Where the Council cannot secure nomination rights in accordance with the guidance below, we may request that the legal agreement restricts occupancy to households who cannot compete in the housing market.

### **Content of the legal agreement in relation to Affordable Housing**

**5.2.70****5.2.64** The Council fully expects affordable housing to be secured via Section 106 agreements. Any divergence from this approach to use planning conditions would only be considered in rare and exceptional cases, for instance where the applicant is a Registered Provider. This is due to the inherent risk to the delivery of affordable housing in the context of Section 73 applications.

**5.2.71****5.2.65** The key provisions relating to Affordable Housing will be secured through the S106 legal agreement and, to the extent that is appropriate, any associated Nomination Agreement. It is expected that the legal agreement will normally contain (but is not necessarily limited to) the following information:

- The overall amount of Affordable Housing to be provided;
- Details of the tenure and type of Affordable Housing to be provided;
- Details of any specific standards to be met by the Affordable Housing
- Details of any trigger points for the construction and / or transfer of the Affordable Housing;
- Any Mortgagee in possession (or other similar) clauses to safeguard the provision of Affordable Housing;
- Any specific requirements in relation to nomination rights, lettings and cascades including qualifying persons and local connection criteria (see below); and
- Details of any applicable staircasing restrictions.

**5.2.72****5.2.66** Where development is anticipated to occur over a number of phases, the provision of Affordable Housing should not normally be backloaded into later phases, but should be equally distributed among the phased development. ~~Each phase of development should include rented and intermediate affordable housing tenure units~~ This will be addressed through the inclusion of appropriate trigger points in the legal agreement. On phased developments each phase should include rented and intermediate affordable housing tenure units.

**5.2.73****5.2.67** Where outline permission is sought on an “up to...” basis, we may seek to secure a guaranteed minimum number of Affordable Housing units within the legal agreement. This is to ensure that the anticipated provision of Affordable Housing is not subsequently undermined (for example by submission of a detailed application for an alternate use on part of the same site).

### **Nomination rights, lettings and cascades**

5.2.745.2.68 The Council will normally seek to secure 100% of initial nomination rights and at least 75% of nomination rights for subsequent re-lets. Nominations will be made in accordance with the Common Housing Allocations Scheme or any successor.

draft for consultation 2025

5.2.755.2.69 In the rural Designated Protection Areas, we normally operate the following cascade to prioritise the allocation of affordable housing:

- Applicants from within the Parish;
- Applicants from adjoining Parishes;
- Applicants from other rural parishes in North Hertfordshire;
- Applicants from elsewhere in the District.

5.2.765.2.70 This approach will normally be continued on smaller rural sites. However, some rural parishes have significant development allocations in the ~~new~~ Local Plan – either because they physically adjoin larger towns or because they have been identified as locations capable of meeting a wider-than-local need. In the following parishes and for the following developments we will determine the most appropriate cascade mechanism on a case-by-case basis:

- Barkway – Site BK3
- Bygrave – Site BA1
- Clothall – Sites BA2 and BA3
- Graveley – Site NS1
- Ickleford – Site IC3
- Offley – Sites EL1, EL2 & EL3
- Weston – Site GA2
- Wymondley – Site WY1

#### **Subsequent occupiers**

5.2.775.2.71 The measures above will normally secure the Affordable Housing provision on new development sites for subsequent occupiers. However, it is recognised that some units may eventually be lost from the Affordable Housing stock through Right to Buy, by achieving 100% ownership of intermediate products through 'staircasing' or through any additional or successor arrangements.

5.2.785.2.72 Presently, these rights and the recycling of monies received through these events are subject to their own regulation and will not normally need to be reflected in the legal agreement.

#### **Deeds of variation**

5.2.795.2.73 We sometimes receive applications to vary the conditions of the legal agreement following completion of the scheme and / or its transfer to the Registered Provider. In the past, these have mainly related to shared ownership units and / or the cascade mechanism where it has not been possible to allocate the Affordable Housing within the terms of the original agreement. In turn, this is often linked to the (un)affordability of the products.

5.2.805.2.74 By following the requirements of our Local Plan policies and the guidance in this SPD and other relevant strategies, the need to vary the legal agreement should only arise in exceptional circumstances.

~~5.2.81~~5.2.75 Any Deed of Variation applications should be accompanied by robust evidence, including upon viability where relevant and follow the principles set out Section 2 of this document.

### ***East of Luton***

~~The East of Luton sites allocated in the Local Plan (Policy SP19) are identified, in large part, to meet unmet housing needs arising from Luton Borough. Affordable Housing is a particularly important element of this unmet need.~~

~~A proportion of the development (150 homes) is to meet North Hertfordshire's own housing needs. The District Council will secure appropriate access to Affordable Housing in line with the policies of the Local Plan and the advice in this SPD. This will be calculated as follows:~~

- ~~• Agreed allocation wide Affordable Housing provision (%) x 150~~

~~For the balance of the secured Affordable Housing, the Council will have regard to the additional considerations below:~~

- ~~• The policies of the Luton Local Plan, monitoring information collected by Luton Borough Council and the findings of the Strategic Housing Market Assessment (SHMA) for the Borough will be considered as 'relevant' evidence under Policies HS2 and HS3 of the Local Plan.~~
- ~~• Any off-site provision or commuted sums in lieu of on-site provision should be directed to Luton Borough.~~
- ~~• Initial nomination rights will be reserved for applicants on Luton Borough Council's Housing Register or joint housing register as may be agreed. The approach to subsequent re-lets will be negotiated in advance of, or through, the site-specific S106 agreement(s) having regard (but not necessarily limited) to:~~
  - ~~○ The fact that first occupiers will become residents of North Hertfordshire, with the District Council becoming responsible for their future housing needs;~~
  - ~~○ The phasing schedule(s) for completion and occupation of the Affordable Housing that are anticipated in any relevant planning permission(s), including any post-permission amendment(s);~~
  - ~~○ The current development plan policies in the Luton Local Plan 2011-2031 and the North Hertfordshire Local Plan 2011-2031, and specifically, North Hertfordshire's agreement to assist with Luton's unmet housing needs via its Local Plan policy and residential land allocations;~~
  - ~~○ The stage of the planned reviews of the Luton and North Hertfordshire's Local Plans, and their associated evidence base(s) on housing supply, needs and requirements (including information on house types/ sizes);~~
  - ~~○ Any findings or contents of statutory examinations, agreements or equivalent in relation to the above;~~

- ~~○ The geographical reach of the nominated Registered Provider(s) and the % of re-let nominations rights to which they will be entitled;~~
- ~~○ Agreeing a reciprocal approach that allows access to re-lets in the event that either authority is unable to nominate to any homes within a prescribed period.~~

### Review mechanisms (Policy HS2(c)(ii))

~~5.2.8~~5.2.76 The general approach to review mechanisms for legal agreements is set out in Section 2 of this SPD. Where viability improves such as to trigger a review, we will take a fair and proportionate approach. Affordable Housing targets will be applied to the remaining phases or quanta of development at the point of review in line with the requirements of Policy HS2 and this SPD. We will not normally use review mechanisms to seek above target levels of Affordable Housing provision on future phases of development in order to make up for previous shortfalls.

## 5.3 Self-build

- 5.3.1 ~~Our policies require that 1% of plots on Strategic Housing Sites are reserved for self-build.~~ On five of our Strategic Housing Sites, our policies require that 1% of plots are reserved for self build. We will have regard to the self-build register and encourage the provision of self-build plots on other sites where there is proven evidence of demand. Neighbourhood Plans may also set requirements for self-build. Councils may additionally need to have regard to statutory requirements relating to self-build in other, non-planning functions such as land disposal.
- 5.3.2 The delivery of self-build sites, or proportion of sites as self-build opportunities, brings complexities, as detailed below. Considering the depth of considerations for the appropriate delivery of self-build housing, it is highly likely that any approval of such housing will require planning obligations, rather than conditions, to secure the details of delivery. As a result, guidance in what is required to be considered in delivery of self-build housing is set out below to inform heads of terms and eventual agreed obligations.
- 5.3.3 For the purposes of planning policy, Custom and Self-build dwellings share the same definition and the terms can be used interchangeably. Custom Build is where a person appoints a specialist developer to help build their own home. Self-build is where a person is more directly involved in organising and constructing their own home.
- 5.3.4 Where self-build plots are to be ~~delivered~~delivered, we will secure, by legal agreement or condition as appropriate in each instance:
- The number and location of plots to be delivered for self-build;
  - The trigger point(s) for the provision and / or marketing of the serviced plots;

- The transfer of the plots where the developer does not wish to retain or market them for self-build;
  - The means by which detailed permission(s) for the self-build plots shall be obtained;
  - Reversion clauses or similar allowing for the return of the plot to the developer and / or the use of any unsold self-build plots for other forms of housing; and / or
  - Time limits for the commencement and / or completion of development on any self-build plots.
- 5.3.5 The Council maintains a Self-Build and Custom Housebuilding Register in accordance with relevant regulations. This contains details of persons interested in acquiring plots of land for self-build.
- 5.3.6 Where relevant developments come forward, the Council will notify those on the Self-Build and Custom Housebuilding Register of any upcoming opportunities.
- 5.3.7 Where the developer does not wish to market self-build plots themselves, the freehold of the area that will contain the serviced plots should be transferred to the Council for a nominal sum. This sum may include the recovery of a reasonable proportion of the S106 costs attached to the site as a whole and / or the costs of providing services to those plots where this occurs prior to, or as a condition of, the transfer. The Council will then undertake the marketing and sale of the plots.
- 5.3.8 Prior to the marketing of any self-build plots, the body responsible for their disposal shall secure an appropriate permission or planning framework for the whole of the self-build area detailing:
- The highway layout;
  - The provision of services;
  - Any incidental or communal landscaping, open space or similar;
  - The extent of the individual self-build plots;
  - The unit type of the individual self-build plots;
  - Vehicular access and parking provision;
  - Key design parameters including:
    - Fixed positions or zones for front and rear facades;
    - Maximum building heights;
    - Maximum internal floor areas; and
  - A palette of materials
- 5.3.9 This approach strikes a reasonable balance between individuality and ensuring the site as a whole remains coherent in design terms. The permission should be sufficiently flexible to allow for innovative design and methods of construction. It should also ensure sufficient scope remains for future plot owners to have a meaningful input into the final design of their home. The factors above may be

identified and / or secured through a design code (or similar) attached to a hybrid application<sup>38</sup>.

- 5.3.10 The Council will consider whether it is expedient to introduce a Local Development Order, or other form of simplified planning framework, for self-build areas on a case-by-case basis.
- 5.3.11 Any marketing period should be of sufficient length to give interested parties reasonable opportunity to investigate likely acquisition and build costs and draw together appropriate funding. This may include securing in principle agreements for finance and / or quotes or expressions of interest from builders or developers to deliver the scheme where they will seek assistance in building their home. Plots should be made available at a reasonable market value so as to encourage, rather than deter, their uptake.
- 5.3.12 Our expectation is that any reversion clause will allow for a minimum two-year marketing period for self-build. Shorter periods will only be entertained when the applicant expects the remainder of the site to be completed more quickly. On Strategic sites, or other schemes where development is to be phased, it may be appropriate to seek longer clauses to maximise the opportunity for self-build plots to be taken up.
- 5.3.13 In all instances, self-build plots should be delivered in a timeframe that is compatible with the delivery of the site as a whole. Equally it is necessary to ensure that the site can be fully built out in the absence of interest in (all of) the self-build plots; unbuilt or incomplete plots on an otherwise completed scheme would detract from the Government's aim to create high quality places.

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<sup>38</sup> In this instance, the final, detailed design of individual homes may be secured through a discharge of condition application (or similar) by the intended occupier upon, or prior to, acquisition of the plot.

## 6 DESIGN

<u>2022</u> Local Plan Policies	Other relevant Strategies & Guidance
<ul style="list-style-type: none"> <li>SP9: Design and sustainability</li> <li>D1: Sustainable Design</li> <li>D3: Protecting living conditions</li> <li>D4: Air quality</li> <li><u>Appendix 5: Letchworth Garden City Design Principles</u></li> </ul>	<ul style="list-style-type: none"> <li>Design SPD – <u>2011</u></li> <li><u>NHC Air Quality Planning Guidance – 2018 Baldock Air Quality Paper</u></li> <li>NHDC Note to Local Plan Inspector on Air Quality – <u>2018</u></li> <li><del>Hertfordshire Waste Strategy 2002-2024</del></li> <li><u>Hertfordshire Waste Development Framework - 2012</u></li> <li>HCC Guide to Developer Infrastructure Contributions – <u>2024</u></li> <li><del>Sustainability Principles 2022</del></li> <li><u>NHC Design Review Protocol 2024 2022</u></li> <li><u>NHC Sustainability SPD - 2024</u></li> </ul>

### 6.1 Policy context

- 6.1.1 National policy recognises that good design is a key aspect of sustainable development<sup>39</sup>. The Local Plan contains policies focused on ensuring that design responds positively to local context and that suitable mitigation measures can be delivered through the planning process.

### 6.2 Design

- 6.2.1 The general design requirements of the Plan will normally be met through consideration of planning applications and, where appropriate, the use of planning conditions. However, there may be some instances where contributions are sought towards schemes which deliver upon the design aspirations of the Plan (see, for example, Section 7.6 on public realm).

### 6.3 Sustainable construction methods

- 6.3.1 Local Plan Policy D1 Sustainable design outlines that development proposals are required to consider the potential to minimise the impact on the environment during both construction and throughout the lifetime of the development. The

<sup>39</sup> NPPF Paragraph ~~126~~131

Council may require planning conditions and/or legal agreements, such as sustainable material sourcing, to achieve this.

## **6.4 Protecting living conditions**

- 6.4.1 Policy D3 seeks to secure protection against potential statutory nuisances and other impacts which may adversely impact upon living conditions.
- 6.4.2 There may be ~~requirements~~ a requirement for reciprocal measures to be secured from proposed development in adjoining authorities under the arrangements set out in Section 1.8. This may include, but is not necessarily limited to, any future schemes at London Luton Airport.

## **6.5 Air quality monitoring**

- 6.5.1 Legal agreements may be used to ensure that there are appropriate levels of monitoring and mitigation to minimise development impacts in line with Local Plan Policy D4 Air quality. This is particularly relevant where development proposals are likely to create additional road traffic.
- 6.5.2 Policy D4 sets out the circumstances in which an air quality impact assessment will be required. Strategic Housing Sites in particular will be expected to carry out or otherwise fund ongoing air quality monitoring before, during and after construction of their schemes. This may also be required of other significant or sensitive developments within the District or where the cumulative impacts of development may lead to an air quality issue.
- 6.5.3 The Council's own monitoring will be used to provide a baseline of data across the District against which applicant's data can be benchmarked and calibrated. The Council may require contributions towards equipment.
- 6.5.4 Methods to reduce emissions may include: design of development, encouraging the use of public transport and car sharing, promoting low emission vehicle use, road and traffic management schemes as well as appropriate parking standards. These methods may be secured at planning application stage via planning conditions and/ or legal agreement.
- 6.5.5 Where air quality impact assessments are required and where those assessments predict that an adverse impact on local air quality will occur there will be a requirement for the Defra 'air pollution damage costs' approach to be applied. This air pollution economic analysis damage costs approach is founded upon the application of Defra's Emissions Factors Toolkit and Central Government's Interdepartmental Group on Costs and Benefits (IGCB) guidance. Further information can be found in the NHDC Air Quality Planning Guidance Document.
- 6.5.6 The financial contributions calculated by the 'air pollution damage costs' approach will need to be targeted to air pollution mitigation measures that are

relevant to the development in question and of specific benefit to the local areas that have been identified as being adversely impacted by that development.

- 6.5.7 Identified measures or contributions will be secured by condition or legal agreement as appropriate in each instance.

## 6.6 Waste collection and recycling

6.6.1 Under the Environmental Protection Act 1990, Hertfordshire County Council is required to perform the statutory functions of the Waste Disposal Authority (WDA) for Hertfordshire. The WDA is also required to provide facilities in its area where residents may deposit their own household waste free of charge. The HCC Developer Infrastructure Contributions document outlines how the County Council will seek to achieve this.

6.6.16.6.2 The A waste collection and recycling programme scheme for North Hertfordshire is designed to support the Government's Resources and Waste Strategy for England 2018 and their "Simpler Recycling" policy. contained within the Hertfordshire Joint Municipal Waste Management Strategy 2007<sup>40</sup>. This has been modified since it was published and in September 2005 the Council agreed a programme that would ensure additional kerbside recycling facilities for all properties by September 2007.

6.6.26.6.3 Designing waste management in at the outset, not only benefits the long term aesthetics of a development but also the practicalities of waste management in the home. Poor design for waste and recycling storage may Properties with no immediate access to the rear, together with flats may have no obvious means for storage of waste and recycling containers. This results in containers being permanently left in front gardens or by the roadside and will reduce the participation in recycling schemes. Therefore, development schemes will be required to ensure appropriate arrangement for the storage of waste collection and recycling containers at the outset. This may be through communal shelters bin stores for flats. This is to ensure conformity with Local Plan Policy D1 Sustainable design to reduce waste and consider the visual impacts of a development.

6.6.4 The revenue costs of waste collection management are covered through Council Tax. However, in the case of large scale residential development, implementation costs may be required to cover the purchase of bins, the purchase of additional vehicles and setting up new or extended rounds. Contributions towards the provision of recycling banks and land to accommodate these will also be required for large development schemes.

6.6.36.6.5 In addition, the management of litter should be considered and infrastructure and implementation costs for schemes to manage this may also be required.

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40 Hertfordshire Joint Municipal Waste Management Strategy 2007

- 6.6.4 — Under the Environmental Protection Act 1990, Hertfordshire County Council is required to perform the statutory functions of the Waste Disposal Authority (WDA) for Hertfordshire. The WDA is also required to provide facilities in its area where residents may deposit their own household waste free of charge. In Hertfordshire, these facilities are known as Recycling Centres (RCs).
- 6.6.5 — As WDA, Hertfordshire County Council is responsible for the disposal of Local Authority Collected Waste (LACW) arising in the county. LACW consists of household waste and commercial waste collected by the ten Borough and District Councils in their role as the Waste Collection Authorities (WCA's) for Hertfordshire and waste collected at the county's RCs. Much of this waste is bulked in Waste Transfer Stations ready for onward transport to the point of disposal or treatment.
- 6.6.6 — The WDA achieves this via a network of waste transfer stations and recycling centres. An increase in population within Hertfordshire as a result of new residential development is likely to require increased investment in waste disposal infrastructure.
- 6.6.7 — The impact of additional dwellings on waste management infrastructure will vary depending on the size of the development and its location. Therefore, it may be necessary to develop new infrastructure or improve existing infrastructure. For example, should an existing RC be identified as having insufficient capacity to accommodate increased usage due to additional dwellings, financial contributions will be identified towards increasing the capacity of the local service provision such as through improvements to existing facilities or the development of a new RC. The HCC Guide to Developer Infrastructure Contributions provides information on how contributions will be calculated.

## 7 HEALTHY COMMUNITIES

<u>2022</u> Local Plan Policies	Other relevant Strategies & Guidance
<ul style="list-style-type: none"> <li>• SP4: Town Centres, Local Centres and Community Shops</li> <li>• SP10: Healthy communities</li> <li>• ETC3: New retail, leisure and other main town centre development</li> <li>• ETC8: Tourism</li> <li>• CGB2b: Community facilities, services and affordable housing in the Rural Area beyond the Green Belt</li> <li>• HE1: Designated Heritage Assets</li> <li>• HE2: Heritage at Risk</li> <li>• HE3: Non-designated heritage assets</li> <li>• HE4: Archaeology</li> <li>• Site-specific policy criteria</li> </ul>	<ul style="list-style-type: none"> <li>• North Hertfordshire Indoor Sports Facilities Strategy and Action Plan - <a href="#">2018</a></li> <li>• Community Halls Strategy for North Hertfordshire - <a href="#">2011</a></li> <li>• <a href="#">Hertfordshire County Council</a> Guide to Developer Infrastructure Contributions - <a href="#">2024</a><sup>41</sup></li> <li>• <a href="#">Sustainability SPD - 2024</a></li> </ul>

### 7.1 Policy context

- 7.1.1 The NPPF requires us to plan positively for the provision and use of shared spaces, community facilities and other local services to enhance the sustainability of communities and residential environments<sup>42</sup>.
- 7.1.2 The Local Plan recognises that the provision of adequate social infrastructure is essential to the successful delivery of the levels of growth over the plan period. Social infrastructure encompasses a range of facilities, including but not limited to: health services, educational facilities, libraries, arts and cultural facilities, community facilities, and indoor sports and leisure facilities.
- 7.1.3 Local Plan Policy SP10: Healthy Communities states that the Council will work with:
- Hertfordshire County Council as the Local Education Authority, as well as other education providers to ensure the planning system contributes to the provision of sufficient school places and facilitates the provision of new or expanded schools in appropriate and accessible locations.

<sup>41</sup> Hertfordshire County Council Guide to Developer Infrastructure Contributions, [Planning obligations and developer infrastructure contributions | Hertfordshire County Council](#)

<sup>42</sup> NPPF Paragraph [9398](#)

- the NHS Trust and [the Herts and West Essex Integrated Care Board Clinical Commissioning Groups \(CCGs\)](#) and other relevant providers to ensure that appropriate coverage of healthcare facilities across the District and
  - Other providers to deliver appropriate levels of new community, cultural, leisure and built sport and recreational facilities.
- 7.1.4 Policy ETC8: Tourism sets out that planning permission will be granted where development increases attractiveness of the District as a tourist destination and delivers sustainable tourist and visitor attractions in appropriate locations.
- 7.1.5 Hertfordshire County Council is responsible for collecting contributions towards a number of the facilities identified in this section. The Council will be guided by their response(s) in determining measures required to mitigate impacts upon relevant social infrastructure. Hertfordshire County Council Guide to Developer Infrastructure Contributions<sup>43</sup> provides an indication of the scale of requests they are likely to make in response to planning application consultations, along with the associated justification.
- 7.1.6 Taken together, requests for social infrastructure are normally the largest single 'ask' of applicants on new development schemes. We will have regard to these requests in accordance with the general approach set out in Section 2 of this document. The Council will consider potential for other sources of funding, such as direct funding from Government departments or agencies, when planning new social infrastructure provision.

## **7.2 — Education and early years**

- ~~7.2.1 — Planning applications, especially those relating to the largest developments will be expected to contribute to education provision serving the development. This may include serviced land as well as financial contributions. Discussions should be undertaken at an early stage with Hertfordshire County Council to ensure appropriate and well-located facilities<sup>44</sup> can be delivered in a timely way. This includes having regard to the Hertfordshire County Council Guide to Developer Infrastructure Contributions<sup>45</sup> to determine the demand for mainstream education, Special Educational Needs and Disabilities (SEND) and early years places based on forecasted child yield.~~
- ~~7.2.2 — Where education mitigation is required, the financial contributions from the development will be based on the proposed education project. In some cases, this may require contributions from smaller scale developments towards new school provision, which will be based on the costs of new school provision.~~

<sup>43</sup> Hertfordshire County Council Guide to Developer Infrastructure Contributions, [Planning obligations and developer infrastructure contributions | Hertfordshire County Council](#)

~~<sup>44</sup> Hertfordshire County Council will require a full consideration of the land needed for any proposed school provision, taking into account a range of criteria including flood risk and the gradient of the development site.~~

~~<sup>45</sup> Hertfordshire County Council Guide to Developer Infrastructure Contributions, [Planning obligations and developer infrastructure contributions | Hertfordshire County Council](#)~~

~~Where a development site includes new education provision on-site, be it expansion to an existing school or a new school, then the provision of, and/or contributions towards, serviced land will also be required. Hertfordshire County Council have a land specification which should be adhered to wherever practicable.~~

~~7.2.3 — A number of sites in the Local Plan contain policy requirements to provide land for education requirements arising from (planned developments in) the wider area. In these instances, requests for financial contributions towards the construction of built facilities on this land will be proportionate having regard to the likely pupil yield of the individual development(s). The balance of funding to deliver the facilities will be derived from other developments in the area or other sources.~~

~~7.2.4 — Discussions should be undertaken at an early stage with Hertfordshire County Council to ensure that there is sufficient capacity of Early Years facilities to mitigate the implications of the proposed development. This includes having regard to the Hertfordshire County Council Guide to Developer Infrastructure Contributions to determine the level of contributions and/or facilities expected to be provided from the proposed development.~~

### **7.3 — Youth Provision**

~~7.3.1 — Given that youth work provided by YC Hertfordshire is predominantly delivered from locally accessible buildings and tailored to youth projects, developments may be required to contribute to increasing the services and capacity to accommodate the needs of any additional young people brought about through housing development. This is most likely to create a need for additional buildings or enhancing / improving / developing an existing centre or space.~~

~~7.3.2 — Discussions should be undertaken at an early stage with Hertfordshire County Council to ensure that there is sufficient capacity of youth facilities to mitigate the implications of the proposed development. This includes having regard to the Hertfordshire County Council Guide to Developer Infrastructure Contributions to determine the level of contributions expected to be provided from the proposed development.~~

### **7.47.2 Health**

7.4.17.2.1 The largest development sites should make provision for new, on-site healthcare facilities and this will be secured through legal agreements.

7.4.27.2.2 Where land is transferred to the NHS this will be provided as freehold transfer or rent free.

7.4.37.2.3 The threshold for on-site provision is set out in the table below. The East and North Hertfordshire NHS Trust deliver hospital services and GP surgeries and other secondary facilities are primarily managed by the East and North Hertfordshire Clinical Commissioning Group.

**7.4.47.2.4** Requests for health contributions are normally based upon the following standard formula. Please note that the figures below are subject to change over time and may be index linked to reflect this.

<b>Acute healthcare</b>	£2,214.46 per residential unit
<b>Mental healthcare</b>	£194.46 per residential unit
<b>Community healthcare</b>	£182.03 per residential unit
<b>GP / GMS costs</b>	<ul style="list-style-type: none"> <li>• Multiply number of residential units by 2.4 to calculate number of new patients;</li> <li>• Divide number of patients by 2000 to determine number of GPs required;</li> <li>• Multiply number of GPs required by 199 to determine m<sup>2</sup> of additional space required</li> <li>• Require m<sup>2</sup> of additional space required by £2,964 to calculate build cost including fit out and fees</li> </ul>

**7.4.57.2.5** Providers have identified that many practices still retain extensive paper records at their premises. This is space which could, subject to various considerations, be used to help provide additional patient capacity. Contributions may therefore be sought in future towards the digitising of records and / or offsite storage as a means of releasing additional capacity to meet demands generated by new development. It must however be demonstrated that the space saved can be meaningfully used as additional clinical space and how this new space can be secured through the digitisation project. If internal or external physical alterations are also required, it would be more appropriate for S106 contributions to fund the building works rather than the digitisation project itself provided that in both cases the reasoning and costs are fully justified in the context of the CIL Regulations.

**7.4.67.2.6** For health contributions of less than £250,000 the Council will not require the NHS to be signatories to planning obligations. For strategic sites and any contributions greater than £250,000 the Council will require the NHS to be direct recipients of any funds from developers at payment stage, either as signatories to associated legal agreements or recipients of funds from unilateral undertakings from developers.

### **7.57.3 Indoor and outdoor sports facilities**

**7.5.17.3.1** In line with Local Plan policy SP10: Healthy communities the Council will support the retention of existing leisure facilities and require appropriate levels of leisure

and sport and recreation facilities to be provided in new development. Where replacement facilities are required by Policy HC1: Community facilities, these will be secured by legal agreement and / or Grampian condition upon the site which is to be redeveloped.

**7.5.27.3.2** New developments will be expected to contribute proportionately towards the provision of additional facilities to meet future demands. The Council will use the Sport England Sport Facility calculator to inform calculations for the level of S106 to be sought for indoor sports and leisure facilities. It will identify relevant and appropriate projects to which contributions will be used in consultation with Sport England and by referring to the most up to date Indoor Sports Facilities Strategy and Action Plan.

## **7.67.4 Arts, culture and public realm**

**7.6.17.4.1** Arts and culture contributions may relate to museums, arts or heritage assets. Contributions may also be sought for public realm improvements that improve the attractiveness and character of the District.

**7.6.27.4.2** It is recognised that a number of the proposed allocations in the Local Plan are extensive greenfield sites. These may yield a significant quantity of archaeological material when they are explored in compliance with Policy HE4 of the plan. This is particularly the case in areas of known historic importance such as the land around Baldock.

**7.6.37.4.3** Contributions may be sought towards new public facilities that allow the preservation and display of archaeological remains; to enhance and/or expand existing facilities; or to deliver improvements to a heritage asset in situ.

**7.6.47.4.4** Depending on the scale and nature of the scheme and to support the delivery of the Plan's heritage strategy the following contributions may be sought:

- Repair, restoration and maintenance of heritage asset(s) and their setting;
- Increased public access and improved signage to and from heritage assets;
- Interpretation panels / historical information and public open days;
- Production and implementation of up to date Conservation Area management plans and appraisals;
- Measures for investigation, preservation and display of archaeological remains and sites;
- Provision of local capacity for the storage of, and public access to, archives resulting from archaeological and/or historical investigation;
- Dissemination of historic environment information for public/school education and research, including museum displays for popularisation of archaeological discoveries;
- Sustainability improvements (such as loft insulation) for historic buildings;

- Public realm obligations, including enhancement of historic squares and spaces, registered parks and gardens, historic pavement materials, street furniture, removal of street clutter and installation of sympathetic lighting etc.

~~7.6.57.4.5~~ The Council will seek contributions towards other public realm and public facilities, including public conveniences, where necessary and reasonable. This is underpinned by policy D1 Sustainable Design that seeks to create or enhance public realm and design-out opportunities for crime and anti-social behaviour.

## **7.7 Libraries**

~~7.7.1~~ Library provision can range from large central libraries within towns to community libraries, resource centres providing electronic access to services within multi-use buildings and mobile facilities.

~~7.7.2~~ Hertfordshire County Council has a statutory duty to provide a library service and applicants should have regard to Hertfordshire County Council Guide to Developer Infrastructure Contributions<sup>46</sup> to inform the contributions required.

## **7.87.5 Community facilities including Town and Village Halls**

~~7.8.17.5.1~~ The Local Plan's policies recognises that community facilities have an important role in community life and require that appropriate community hall facilities are available and that new facilities may need to be are provided where needed as a result of development proposals.

~~7.8.27.5.2~~ The Council will encourage the development and use of such facilities as multi-functional community centres. These can act as 'hubs', offering a range of facilities to support the creation of sustainable communities.

~~7.8.37.5.3~~ The most up to date Community Halls Strategy for North Hertfordshire includes an Action Plan that can be used to inform required developer contributions. Further projects may be set out in Neighbourhood Plans, Parish Council strategies or similar. Engagement with the appropriate Parish, Town or Community Councils should be undertaken.

~~7.8.47.5.4~~ Where new community centres are to be provided within new development, the Council will expect, in most instances, the freehold of the new centre to be transferred to the Council, Town or Parish Councils for a nominal fee and for appropriate ongoing management arrangements to be demonstrated. It will be incumbent on the developer to evidence the proposed management arrangements and potential contributions towards on-going management to be proportionate and sustainable.

<sup>46</sup> Hertfordshire County Council Guide to Developer Infrastructure Contributions, Planning obligations and developer infrastructure contributions | Hertfordshire County Council

## **7.97.6 Fire and rescue services and community safety**

**7.9.17.6.1** Hertfordshire County Council is the Fire and Rescue Authority and has a statutory duty to ensure that all developments are provided with adequate water supplies for fire – fighting as well as provision is made for emergency response arrangements under the Fire and Rescue Services Act 2004<sup>47</sup>.

**7.9.27.6.2** ~~Conditions will be used to ensure that the developer provides fire hydrants based on one hydrant within 90 metres of each property. Applicants should have regard to~~ the Hertfordshire County Council Guide for Developer Infrastructure Contributions which contains technical advice and recommended wording for planning conditions for fire hydrants.

**7.9.3** ~~The provision of adequate water supplies for firefighting purposes e.g. suitable and sufficient water mains and hydrants should be determined at the same time as the water services are planned in detail. This is usually following planning consent.~~

**7.9.4** ~~The ability for large-scale developments to be adequately served by fire and rescue services will be assessed on an individual basis. Any impacts will need to be addressed through planning conditions and/ or obligations. This may be through the provision a new fire station or an extension to an existing facility.~~

**7.9.5** ~~Hertfordshire Fire & Rescue Service on behalf of the Fire Authority would always recommend consideration for the placement of sprinkler systems in all buildings and new developments to form part of an integrated fire safety provision.~~

**7.9.67.6.3** ~~Contributions may be sought from development schemes which have the potential to increase the demand on the Hertfordshire Fire and Rescue Service (HFRS) as currently provided across the respective Council area. In those cases, HFRS may seek planning obligations towards fire and rescue services. Discussions should be undertaken at an early stage with Hertfordshire County Council to ensure that there is sufficient capacity of HFRS facilities to mitigate the implication of the proposed development. This includes having regard to the Hertfordshire County Council Guide to Developer Infrastructure Contributions to determine the level of contributions expected to be provided from the proposed development.~~

**7.9.77.6.4** Police services are provided through the Office of The Police and Crime Commissioner for Hertfordshire and contribute to the overall well-being of local communities. Police infrastructure comprises fixed property and technology assets; and human resources, which includes Local Community Policing, victim support, and crime reduction initiatives such as use of CCTV. These can arise either locally, or as a result of cross – boundary considerations where scale and efficiency of operation require policing facilities to be located out with the boundaries of the local authority. The Council will therefore require development, where required and appropriate, to contribute towards the delivery of policing

<sup>47</sup> Fire and Rescue Services Act 2004

infrastructure to serve new developments and mitigate against their impact upon existing police resources.

7.9.87.6.5 In line with Local Plan Policy D1 Sustainable Design applicants, should demonstrate that opportunities for crime and anti-social behaviour have been designed-out. Hertfordshire Constabulary will be consulted on planning applications where it is considered that there may be an impact in terms of community safety.

7.9.97.6.6 Where it is expected that the proposed development will generate a need for extra policing, resources and extensions to or new police buildings, this will be sought through legal agreements.

7.9.107.6.7 Contributions towards CCTV will be sought on a case-by-case basis where needed to cover the cost of equipment, installation, maintenance and running costs.

## **7.107.7 Information Technology**

7.10.17.7.1 Internet and mobile coverage across the District are generally quite good, though there are pockets where this is not the case, particularly in more rural areas.

7.10.27.7.2 All new developments should be able to plan-in the provision of high quality (superfast) communication infrastructure in consultation with providers. Early engagement is recommended. This avoids the need to retrofit cabling or other required facilities in recently completed schemes. It also increases the saleability of new properties. Where appropriate, we will secure the provision of high-speed connectivity with new development, normally by condition.

7.10.37.7.3 This approach supports the rise in homeworking and the need to manage private vehicle use in accordance with local and county transport policy.

## 8 NATURAL ENVIRONMENT

<a href="#">2022</a> Local Plan Policies	Other relevant Strategies & Guidance
<ul style="list-style-type: none"> <li>• SP11: Natural resources and sustainability</li> <li>• SP12: Green Infrastructure, landscape and biodiversity</li> <li>• D1: Sustainable design</li> <li>• NE1: Strategic green infrastructure</li> <li>• NE4: Biodiversity and geological sites</li> <li>• NE5: Protecting open space</li> <li>• NE6: New and improved open space</li> <li>• NE7: Reducing flood risk</li> <li>• NE8: Sustainable drainage systems</li> <li>• NE9: Water quality and environment</li> <li>• NE10: Water conservation and wastewater infrastructure</li> <li>• NE11: Contaminated land</li> <li>• NE12: Renewable and low carbon energy development</li> <li>• Site-specific policy criteria</li> </ul>	<ul style="list-style-type: none"> <li>• North Hertfordshire Council's Climate Change Strategy <a href="#">2022 - 2027</a></li> <li>• North Hertfordshire Playing Pitch Strategy and Action Plan 2018</li> <li>• A Green Space Management Strategy for North Hertfordshire <a href="#">2022 – 2027</a> <a href="#">2021</a></li> <li>• Open Space Review <a href="#">and Standards</a> 2016</li> <li>• Hertfordshire Rights of Way Improvement Plan</li> <li>• NHDC Local Cycling and Walking Infrastructure Plan (LCWIP) <a href="#">2023*</a></li> <li>• Planning for biodiversity and the natural environment in Hertfordshire: guiding principles</li> <li>• Hertfordshire Biodiversity Action Plan <a href="#">2006</a></li> <li>• Biodiversity Strategic Action Plan (BSAP) from the Hertfordshire Climate Change and Sustainability Partnership (HCCSP)</li> <li>• Hertfordshire County Council Guide to Developer Infrastructure Contributions<sup>48</sup></li> <li>• Therfield Heath SSSI Mitigation Strategy</li> <li>• North Hertfordshire Green Infrastructure Strategy 2009</li> <li>• NHDC Green Space Action Plans (various)</li> </ul>

<sup>48</sup> Hertfordshire County Council Guide to Developer Infrastructure Contributions, [Planning obligations and developer infrastructure contributions | Hertfordshire County Council](#)

	<ul style="list-style-type: none"> <li>• <a href="#">Strategic Flood Risk Assessment Update (2016)</a></li> <li>• <a href="#">Hertfordshire Local Nature Recovery Strategy</a></li> <li>• Affinity Water Draft Drought Management Plan 2022</li> <li>• Hertfordshire Renewable and Low Carbon Energy Technical Study, <a href="#">2010</a></li> <li>• <a href="#">Thames and Great Ouse River Basin Management Plan</a></li> <li>• <a href="#">Sustainability SPD - 2024</a></li> </ul>
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## 8.1 Policy context

- 8.1.1 The NPPF identifies that access to a network of high-quality open spaces is important for the health and well-being of communities<sup>49</sup>. It also seeks to minimise impacts on, and provide net gains for, biodiversity and advocates a proactive approach to mitigating and adapting to climate change<sup>50</sup>.
- 8.1.2 Open spaces are a defining feature of North Hertfordshire and provide a valuable resource for recreation, sports and culture. The quality of the open spaces is critical to ensure that active lifestyles can be promoted.
- 8.1.3 The Local Plan contains a range of policy requirements relating to open space and the natural environment which, collectively, seek the provision and retention of a network of quality spaces.
- 8.1.4 These policy requirements are supported by a breadth of supporting strategies produced by the Council, County Council and other bodies.

## 8.2 Biodiversity

### Policy Background

- 8.2.1 Biodiversity net gain (BNG) is an approach to development, and/or land management, that aims to leave the natural environment in a measurably better state than it was beforehand.
- 8.2.2 The Environment Act 2021 sets out the following key components of mandatory biodiversity gain:
- Amends the Town and Country Planning Act

<sup>49</sup> NPPF Paragraph 98

<sup>50</sup> NPPF Paragraphs 153 and 174

- Minimum 10% gain required calculated using the Biodiversity Metric and approval of a biodiversity gain plan
- Habitat secured for at least 30 years via planning obligations or conservation covenants
- Delivered on-site, off-site or via a new statutory biodiversity credits scheme; and
- National register for net gain delivery sites.
- ~~It does not change the existing legal protections for important habitats and wildlife species. It maintains the mitigation hierarchy of avoid impacts first, then mitigate and only compensate as a last resort.~~

The Environment Act 2021 does not change the existing legal protections for important habitats and wildlife species. It maintains the mitigation hierarchy of avoid impacts first, then mitigate and only compensate as a last resort.

8.2.3 Policy NE4 Biodiversity and Geological Sites states that: ~~“Planning permission will only be granted for development proposals that appropriately protect, enhance and manage biodiversity in accordance with the hierarchy and status of designations and features listed in policy SP12. All development should deliver measurable net gains for biodiversity and geodiversity, contribute to ecological networks and the water environment and restore degraded or isolated habitats where possible.”~~

8.2.4 The policy also requires the integration of ~~“appropriate buffers of complimentary habitat for designated sites and other connective features, wildlife habitats, priority habitats and species into the ecological mitigation and design. The appropriateness of any buffers will be considered having regard to the status of the relevant habitat. 12 metres of complimentary habitat should be provided around wildlife sites (locally designated sites and above), trees and hedgerows. It may be necessary to exceed this distance for fragile habitats such as ancient woodland or to provide appropriate root protection for mature trees.”~~ ~~A long-term management and monitoring plan including mitigation measures as necessary is also required.~~

8.2.5 In addition, the Local Plan promotes a master plan led approach to deliver a net gain for biodiversity as set out in Policy SP9 Design & Sustainability<sup>51</sup>. Strategic Masterplans where required should ‘Create a multi-functional green infrastructure network that provides a high-quality integrated network to support ecological connectivity, biodiversity net gain, climate adaptation and mitigation linking into the wider Ecological Network’.

~~8.2.6 The Environment Act 2021 introduces a mandatory requirement for new development to deliver a net gain for biodiversity of at least 10% calculated using the DEFRA Biodiversity Metric (latest version 3.1). Once the mandatory requirement for BNG is in place (expected to be Winter 2023), it will be a~~

<sup>51</sup> It is important that councils apply and test the application of BNG prior to the legislative requirements and that BNG is frontloaded into the planning process to ensure effective delivery

legislative requirement. The Government's response to the 2018 consultation on net gain set out that there would be a 2 year implementation period for mandatory BNG once the Environment Bill received Royal Assent and became the Act (which happened on 9 November 2021). The Act includes provision for secondary legislation to set a date for the requirement to come into force.

~~8.2.68.2.7~~ The Environment Act 2021 introduced a mandatory requirement for new development to deliver a net gain for biodiversity of at least 10% calculated using the Statutory Metric, in addition, the Small Sites Metric is available for those sites not classed as being major development.<sup>52</sup>

~~8.2.78.2.8~~ Whilst the Local Plan does not specify a target for BNG, the Council are taking a pre-active and masterplan led approach to strongly encouraging new developments to achieve a net gain for biodiversity of at least 10% in advance of the formal enactment of the statutory requirement.

### **Biodiversity Net Gain and the Biodiversity Metric**

~~8.2.88.2.9~~ The Biodiversity Metric 3.0 was launched by DEFRA in July 2021. An update 3.1 was published in April 2022. A consultation on the Biodiversity Metric 3.1 and the Small Sites Metric will conclude in September 2022.

~~8.2.98.2.10~~ The Council will expect applicants to assess BNG using the Biodiversity Metric 3.1 or the most up to date version. The biodiversity metric is a habitat-based approach used to assess an areas value to wildlife. The metric uses habitat features as a proxy to calculate a biodiversity value. The metric is used to assess the biodiversity unit value of an area of land, demonstrate biodiversity net gains or losses in a consistent way, measure and account for direct impacts on biodiversity and to compare proposals for a site, such as creating habitat on site or off site. It can help to design, plan and make land management decisions that take better account of biodiversity. It should be used by a professional qualified and experienced ecologist. To use the metric you need to know, the types of habitat on site, the size of each habitat parcel, the condition of each habitat parcel, whether the sites are in locations identified as local nature priorities.

~~8.2.11~~ The biodiversity metric calculation tool and user guide are published on Natural England's Access to Evidence website.

~~8.2.108.2.12~~ The Council will expect applicants to assess BNG using the Statutory or Small Sites Metric. The biodiversity metric is a habitat-based approach used to assess an areas value to wildlife. The metric uses habitat features as a proxy to calculate a biodiversity value and can assess the biodiversity unit value of an area of land, demonstrate biodiversity net gains or losses in a consistent way. It

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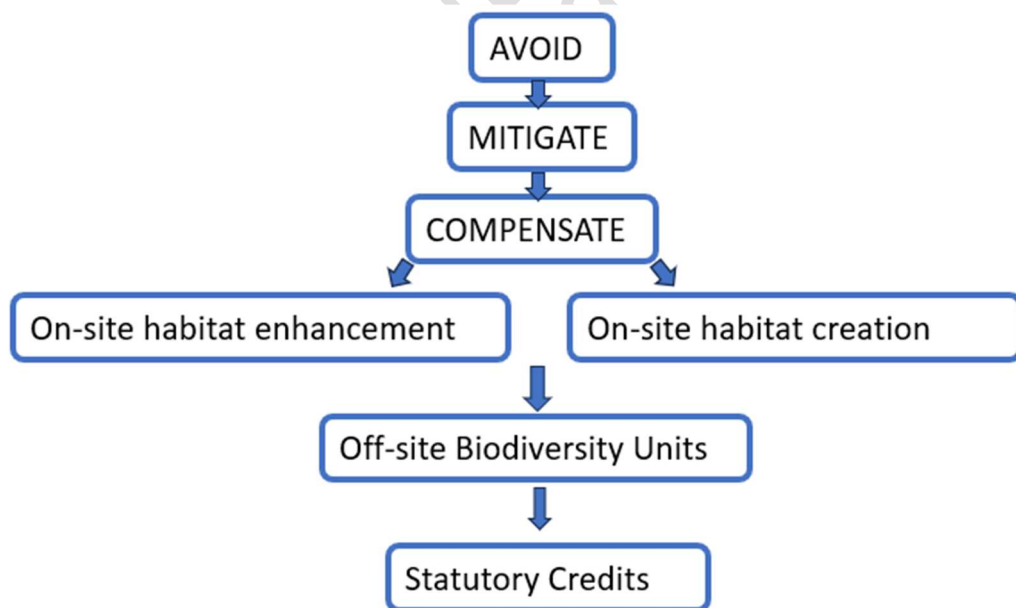
<sup>52</sup> residential development where the number of dwellings is between 1 and 9 on a site of an area 1 hectare or less, or if the number of dwellings is unknown, the site area is less than 0.5 Ha, or  
• commercial development where floor space created is less than 1,000 square metres or total site area is less than 1 hectare, or  
• development that is not the winning and working of minerals or the use of land for mineral-working deposits, or  
development that is not waste development

can help to design, plan and make land management decisions that take better account of biodiversity. To use the metric you need to know, the types of habitat on site, the size of each habitat parcel, the condition of each habitat parcel, whether the sites are in locations identified as of strategic significance for local nature priorities. The biodiversity metric calculation tools and user guides are published by the Department for the Environment, Food and Rural Affairs<sup>53</sup>.

### **Biodiversity Gain Hierarchy Mitigation Hierarchy**

**8.2.118.2.13** Biodiversity Net Gain should be delivered in the context of the following Biodiversity Gain Hierarchy Mitigation Hierarchy:

Avoid: where possible habitat damage should be avoided	Minimise: where possible habitat damage and loss should be minimised	Remediate: where possible any damaged or lost habitat should be restored	Compensate: As a last resort damaged or lost habitat should be compensated for
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**8.2.128.2.14** BNG should be considered at the early stage of a project before the layout and design is fixed. Applicants will be required to demonstrate to the Council that all methods of avoidance have been fully explored and all new development should seek to deliver BNG on site within the red line application boundary in the first instance. Where on-site provision is not possible the Biodiversity Gain hierarchy should be followed. Non-exempt developments will be required to deliver 10%BNG to be secured through a Biodiversity Gain Plan. off-site

<sup>53</sup> Department for Environment, Food and Rural Affairs: Statutory biodiversity metric tools and guides

~~compensation will be required and this approach should be agreed with the LPA (Local Planning Authority), where it will be~~ Development proposals must clearly demonstrate<sup>d</sup> that a net gain in biodiversity can be achieved and secured for 30 years.

### Evidence and reporting requirements<sup>54</sup>

~~8.2.13~~ **8.2.15** The Council already require a Preliminary Ecological Appraisal or Ecological Impact Assessment to be submitted with most types of planning applications. These will now be required to contain a specific section entitled 'Biodiversity Net Gain' which must clearly show how the site has been assessed using the [Statutory Biodiversity Metric](#) ~~(latest version)~~. This will demonstrate the baseline habitat value of the site (pre-development) and the post development habitat value.

~~8.2.14~~ **8.2.16** Where it is apparent that the baseline habitat value of the site has been negatively affected prior to assessment, the Council will require an assessment of the site based on the habitat condition prior to any intervention (i.e. removal of vegetation). This could be based on previous aerial photography and environmental records. Any negative habitat modification after January 2020 will refer to the worst case scenario habitat baseline at that date – in accordance with the Environment Act.

~~8.2.15~~ **8.2.17** A habitat baseline plan should be produced using the UK Habitat Classification<sup>55</sup>. ~~This may be produced using information from the PEA Report or EclA Report.~~ This should clearly show the habitat types and area and length of any habitat type or habitat parcel. A reference number for each habitat parcel should cross reference to the metric. Baseline maps showing linear features e.g., hedgerows, rivers and streams should be provided in spatially accurate digital drawings. All habitat types selected must be justified with survey evidence i.e. species lists, relative abundances, ~~community descriptions~~ and photographs. These must correlate with UK Habitat Community descriptions. ~~For the avoidance of doubt, National Vegetation Communities MG1, MG6 and MG10 must be recorded as other neutral grassland, in accordance with UK Habitat Community descriptions. All condition assessments must be supported by condition assessment sheets for each habitat parcel and justified with survey evidence. Unrealistic condition scores in the time available, flagged by the submitted metric, will not be accepted.~~ Habitat enhancement will only be permitted within the same habitat type, e.g. grassland to better quality grassland ~~(improving low value habitats to medium value habitat and above should always be recorded as habitat creation).~~

<sup>54</sup> CIEEM have published Biodiversity Net Gain Report and Audit Templates that provide a framework for writing reports for projects aiming to achieve BNG. This should inform the report writing approach.

<sup>55</sup> The UK Habitat Classification avail from [www.ukhab.org](http://www.ukhab.org)

~~8.2.16~~8.2.18 Following the baseline habitat conditions the report should demonstrate how compliance with the BNG 10 good practice principles<sup>56</sup> has been applied as part of the net gain assessment.

~~8.2.17~~8.2.19 ~~A BNG plan (or proposed habitats plan)~~ A proposed habitats plan should be provided that clearly cross references to the individual lines of the metric habitat calculations. It can be based on the site layout plan, illustrative masterplan, strategic masterplan or green infrastructure parameter plan depending on the nature of the planning application.

~~8.2.18~~8.2.20 Habitats should be mapped using the UK Habitat Classification (to allow comparison with the baseline situation). This plan should clearly show what habitats are to be retained and enhanced and what new habitat types will be created through clear colour coding. The area (ha) or length (km) of each habitat type should be quantified with spatially accurate digital drawings. Other proposed biodiversity enhancements should also be described in this section and shown on appropriately scaled plans e.g., bird and bat boxes, hedgehog highways and mitigation for protected/priority species.

~~8.2.19~~8.2.21 The full, completed Excel spreadsheet and a PDF, ~~including the full calculations that lead to the final biodiversity unit scores must~~ version must be submitted to the Council to allow the full analysis and scrutiny of the information. ~~The information in the metric should be directly related to the Habitat Baseline Plan and Proposed Habitats Plan.~~ Summary results or extracts of any metric calculation are ~~would not be~~ insufficient alone. ~~Where appropriate detailed justifications for the choice of habitat types, distinctiveness and condition should be added to the comments column and explained in the report.~~ All assumptions made in the metric should be clearly identifiable. Different habitat parcels should be individually referenced and identifiable on the relevant drawings so that these can be cross referenced with the Biodiversity Metric.

~~8.2.20~~8.2.22 ~~The Council will be seeking to determine if in principle the application has the capacity to comply with relevant Local Plan policies. The BNG plan will be approved as part of the any outline permission.~~

~~8.2.21~~8.2.23 The BNG section of the report should provide sufficient detail that biodiversity gains and anticipated 'condition' of the habitat can be realistically achieved within the site framework. It is important that other land uses and land use budget is considered at outline stage and that there is no double counting. ~~(i.e. with recreational, sport and other green space types).~~ Some elements can contribute to BNG such as enhancing green infrastructure, but it is important to ensure that BNG is additional to this, see [What you can count towards a development's biodiversity net gain - GOV.UK](#)

~~8.2.22~~ ~~The final section should include a Project Implementation and Construction Plan and Management or Monitoring Plan. This should include the required aftercare~~

<sup>56</sup> BNG Good Practice Principles for Development 2016 CIEEM, IEMA and CIRIA

~~maintenance and long-term habitat management of habitat features, how management will be implemented for a minimum period of 30 years and what monitoring will be implemented during and after construction. This is to ensure that all on-site and off-site BNG is delivered to the required state and condition (where appropriate this will be required as a planning condition as part of the Landscape and Ecological Management Plan) for a 30-year lifespan of the project.~~

~~8.2.23 — It is expected that the majority of strategic and phased development will require a re-submission of the BNG Report with each subsequent reserved matter. This would include an updated BNG calculation (balance sheet) and BNG Proposed Habitats Plan so phased implementation can be cross referenced to the BNG strategy. This is required to co-ordinate the phased delivery of BNG in accordance with approved strategy at outline permission stage. Relevant planning conditions will be applied to secure this delivery, having regard to a site's overarching BNG strategy.~~

#### **Design and Landscape-led approach**

~~8.2.24 — BNG should be considered at the early stage of a project before the layout and design becomes too fixed. A design team approach should be undertaken with an appointed ecological consultant working closely with the urban designer, landscape architect and arboriculturist for the project to jointly consider which masterplan structure/layout delivers the optimal outcome for biodiversity net gain. A design and landscape-led approach and strategy should be informed by the following objectives:~~

- ~~● — Creating a site-wide connected and accessible multi-functional green space network that is connected to the strategic green infrastructure network~~
- ~~● — Creating an ecological network that seeks to retain and enhance existing wildlife corridors and link up fragmented habitats both outside and within the site boundary. This is to enhance connectivity, functionality and to strengthen wildlife corridors and use this as a component of the landscape structure for the new development~~
- ~~● — To ensure existing wildlife sites, priority habitats, hedgerows and trees are appropriately buffered to protect the health and function of the habitat~~
- ~~● — To design for sustainable urban drainage through the designing around natural drainage patterns and maximise opportunities for wetland and marginal/aquatic planting in attenuation areas and swales etc~~
- ~~● — To design site boundaries, streets, spaces, block and plot boundaries and gardens to incorporate nature-rich habitat, including trees, hedgerow, grassland, scrub and wildflower areas.~~

~~8.2.25 Utilise domestic scale features to support wildlife, such as bat and bird boxes/bricks and invertebrate boxes<sup>57</sup>~~

### **Delivery**

~~8.2.26~~8.2.24 The choice of habitat type will be informed by landscape character, what is existing on the site and surroundings, soils drainage and aspect. Examples of the most common habitat types are:

- Trees/woodland
- Hedgerows
- Scrub
- Grassland
- Ponds

~~8.2.27~~8.2.25 The consideration of recreational and visitor impact on habitat types proposed will be discussed as required in the consideration of the application of the Biodiversity Metric.

~~8.2.28~~8.2.26 Where sufficient net gain cannot be delivered on site this will need to be evidenced through the illustration of design and layout options and the Biodiversity Gain Hierarchy will apply. ~~Options for off-site provision are:~~

~~(a) Off-site land in the control of the applicant provided it meets the requirements for off-site provision~~

~~(b)(a) Off-site land under the control of the local authority or a third party who in partnership with the Council agrees the land can be used for net gain provided it meets the requirement for off-site provision~~

### **Requirements for off-site provision**

~~8.2.29 The land should preferably be located adjacent to the site (including within any blue line land). If this is not feasible, then the site should be located within a reasonable distance of the site. If this is not feasible, then the site should be within North Hertfordshire. The off-site provision site will need to be agreed with the LPA using the cascade approach above. The main priority for any off-site provision should be the conservation and enhancement of priority habitats and the Ecological Network as mapped by Hertfordshire County Council and the forthcoming Nature Recovery Network.~~

~~8.2.27 The land will be subject to a S106 agreement or similar unilateral undertaking to ensure delivery of the biodiversity management for a minimum period of 30 years. If required, the agreement will include a transfer of an agreed sum alongside a trigger point.~~

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<sup>57</sup> ~~The Biodiversity Metric is a habitat-based approach, using habitat as a proxy for biodiversity. Species-based features such as bird and bat boxes are not included within the metric, instead it focuses on the habitats such species need to forage and complete their life cycles. The provision of such species features within developments will still be encouraged~~

## Significance

8.2.28 Significant enhancements are those which contribute significantly to the proposed development's BNG, relative to the biodiversity value before development. What counts as a significant enhancement will vary depending on the scale of development and existing habitat, but these would normally be:

- Habitats of medium or higher distinctiveness in the biodiversity metric;
- habitats of low distinctiveness which create a large number of biodiversity units relative to the biodiversity value of the site before development;
- habitat creation or enhancement where distinctiveness is increased relative to the distinctiveness of the habitat before development;
- areas of habitat creation or enhancement which are significant in area relative to the size of the development;
- enhancements to habitat condition, for example from poor or moderate to good.

8.2.29 Where BNG to be delivered is considered significant this will need to be supported by a Habitat Management and Monitoring Plan to cover the 30 years of management which will be secured by a s106 to cover LPA monitoring costs.

8.2.30 Costs are calculated according to site size, the 'red line' area of the relevant planning application. Based on the following area thresholds;

Small	Less than 10 hectares
Medium	10-<25 hectares
Large	25-50 hectares

Sites of over 50 hectares will be subject to bespoke fee arrangement

8.2.31 Difficulty will be determined by reference to information provided in the applicant's statutory BNG metric calculation. Where habitats of different difficulties are proposed within a site, the highest would be used to set the charge.

		BNG Monitoring price bands		
		Size		
		Small	Med	Large
Difficulty	Low	1	2	3
	Mod	2	3	4
	High	3	4	5

8.2.32

## 8.3 Therfield Heath SSSI Mitigation Strategy

8.3.1 Therfield Heath is a popular destination for recreational walkers ~~to~~ at the west of Royston. This site is also a Site of Special Scientific Interest (SSSI) and is a significant archaeological site comprising prehistoric burial mounds, many of which are Scheduled Ancient Monuments. It is necessary to manage recreational disturbance to protect the notified features of the site, including through the collection of developer contributions.

8.3.2 The Therfield Heath Mitigation Strategy was approved as a material consideration by Cabinet in November 2022. This strategy was developed by the Council along with Natural England and the ~~h~~Heath's Conservators and provides a planning mitigation strategy to inform new developments within the SSSI's identified Zone of Influence (ZOI). Sites within the ZOI may be required to make appropriate contributions towards projects or approaches identified in the Strategy, or any other management strategy (or equivalent) produced for this area.

8.3.3 This approach may require schemes to make provision for and / or contributions towards:

- Enhanced open space provision within the development scheme;
- Contributions towards provision or projects within the SSSI to be delivered in agreement with Natural England and / or the Conservators of Therfield Heath;
- Alternate recreation provision or projects within Royston and the surrounding area that provide alternate open space, leisure routes and / or recreational opportunities.

## 8.4 Open Spaces

### Current policy

8.4.1 The importance of good quality green space or 'green infrastructure' to where we live has significantly increased over recent years, and this is reflected in the

planning system. The climate, ~~biodiversity and health crises~~ crisis, ~~biodiversity crisis and health crisis (including Covid-19)~~ mean we all need access to good quality, multi-functional and good quality green space. ~~now more than ever to address the challenges of the physical and natural environment we live in.~~

8.4.2 Residents of new housing developments will generate additional needs and demands for open space, sport and recreation facilities. It is therefore important such facilities are sufficient, accessible, connected and enhance nature and biodiversity, as well as contributing in. ~~Also critical to this is water management as well as~~ climate mitigation and adaptation. There should also be activities for all to enjoy such as play, food production, recreation and sport so as to encourage physical activity and support good health, social inclusion and well-being.

8.4.3 ~~Policies~~ Policy NE6: New and Improved Open Space and SP9 Design & Sustainability encourage the provision of new and/or improved open space and multi-functional green infrastructure as an integral part of new development. ~~states that planning permission will be granted for development proposals that make provision for new and/or improved open space which,~~

- ~~(a) Meets the needs arising from the development having regard to the Councils open space standards;~~
- ~~(b) Contribute towards improving the provision, quality and accessibility of open space; and~~
- ~~(c) Incorporate any necessary open space buffer(s) for landscape, visual, ecological or air quality reasons~~

The policy requires that Any on-site provision must include a long-term maintenance and management plan and where required phasing plans to demonstrate delivery. Proposals for new open spaces which meet identified needs will be encouraged in suitable locations served by a choice of sustainable travel options. Financial contributions towards the provision of open space will be considered only where it can be demonstrated that the requirements of Policy NE6 part (b) ii are met. Where a development is phased or a site is either divided into separate parts or otherwise regarded as part of a larger development, it will be considered as a whole for the purposes of open space provision.

8.4.4 ~~In addition to Policy NE6 above Policy SP9 Design & Sustainability requires Strategic Masterplans to create an accessible multi-functional green infrastructure network that provides:~~

- ~~• A key structuring and functional place-making feature supporting healthy lifestyles, sport, play and recreation linking into the wider green infrastructure network~~

- ~~A high-quality integrated network to support ecological connectivity, biodiversity net gain, climate adaptation and mitigation linking into the wider Ecological Network.~~

### Evidence Base

~~8.4.58.4.4~~ The NPPF advises that access to a network of high-quality open spaces and opportunities for sport and physical activity is important for health and well-being as well as wider benefits for nature and supporting measures to address climate change.

~~8.4.68.4.5~~ Planning policies should be based on robust and up-to-date assessments of the need for open space, sport and recreation facilities (including quantitative or qualitative deficits or surpluses) and opportunities for new provision. Information gained from the assessments should be used to determine what open space, sport and recreational provision is needed, which plans should then seek to accommodate. The following documents (and any relevant updates) should inform both on-site and any off-site green space provision.

~~8.4.78.4.6~~ The ~~Council is updating its~~ Playing Pitch Strategy and Action Plan ~~2018/2025~~ which sets out playing pitch needs across the district and will be used to inform new playing pitch provision.

- There are a number of neighbourhood plans across the district that should be referred to for more detailed information on existing open space provision (quantitatively and qualitatively), local open space needs and where new or enhanced open space provision are required in policies and supporting evidence.
- The Council has publicised a number of green space action plans for key green spaces across the district. These set out a series of physical and management requirements to enhance the sustainability of each green space.
- ~~An open space audit was undertaken in 2022 to review the districts' provision against the FIT standards in order to provide a more up-to-date assessment and understanding of open space provision and needs to inform the individual needs of development. This work has not introduced new standards, but provides clarity on typologies, quantitative and spatial provision and where deficiencies are located. The settlement profiles are available on request and will inform decision-making on masterplanning and planning applications on the form and location of open space.~~

### Open Space Standards

8.4.7 ~~The Council previously used the Fields in Trust Guidance for Outdoor Sport and Play Beyond the Six Acre Standard November 2020 to set the baseline requirements for open space in new development. This guidance has been superseded by the Fields In Trust Standards, 2024. The Council uses the Fields~~

~~in Trust Guidance for Outdoor Sport and Play Beyond the Six Acre Standard November 2020 to set baseline requirements for open space in new development.~~ This guidance sets national benchmark guidelines and guidance to ensure that the provision of open spaces is of a sufficient size to ensure its effective use and is located in an accessible location. The open spaces should be in close proximity to dwellings and be of a quality to maintain longevity to encourage its continued use.

8.4.8 We have taken the FiT open space standards to set the target distances for open space requirements in new developments but have adapted them so that there is a hierarchy of open spaces in new developments. Our District Design Code will provide further guidance and expectations about the design of open spaces within each Tier.

8.4.9 These standards are shown below:

**~~Open space standards for new development (hectares)~~**

<del>Type</del>	<del>Standard (per 1,000 people)</del>	<del>Walking guideline</del>
<del>Playing pitches</del>	<del>1.2</del>	<del>1,200 m</del>
<del>Other outdoor sports</del>	<del>0.4</del>	<del>1,200 m</del>
<del>Equipped / designated play</del>	<del>0.25</del>	<del>LAPs 100m LEAPS 400m NEAPS 1000 m</del>
<del>MUGAs / skateboard etc</del>	<del>0.3</del>	<del>700m</del>
<del>Parks and Gardens</del>	<del>0.8</del>	<del>710m</del>
<del>Amenity Green Space</del>	<del>0.6</del>	<del>480m</del>
<del>Natural and semi-natural</del>	<del>1.8</del>	<del>720m</del>
<del>Allotments</del>	<del>0.3</del>	<del>800 m<sup>58</sup></del>

<sup>58</sup> ~~This is a locally derived walking guideline~~

Tier	Distance (Max)	Area (Ha)	Components	Quantum (Across all tiers) (Sq m)
Tier 1	100m	0.03 – 0.5	LAP	2.5
			Amenity / Natural / Parks	32
Tier 2	400m	0.5 – 2	LEAP	2.5
			Amenity / Natural / Parks	32
			Informal Play	3
			Courts / Greens / Tracks	4
Tier 3	1000m	2 – 5	LEAP	2.5
			NEAP	
			Amenity / Natural / Parks	32
			Informal Play	3
			Playing Pitches	12
			Courts / Greens / Tracks	4
Tier 4	1200m	5 – 10	NEAP	18
			Informal Play	3
			Amenity / Natural / Parks	32
			Courts / Greens / Tracks	4
			Playing Pitches	12

### Requirements for equipped play

Open Space Typology	Minimum Size and Dimensions	Buffer Zones
LAP	0.01Ha 10x10 metres	5 metre separation distance between activity zone and nearest property containing a dwelling
LEAP	0.04 ha 20x20 metres	20 metre separation distance between activity zone and nearest property containing a dwelling
NEAP	0.1 ha 31.6 x 31.6 metres	30 metre separation distance between activity zone and nearest property containing a dwelling

Play Space Typology	Minimum Size	Characteristics
LAP	0.01 ha	Small area of open space for very young children to play close to home No play equipment required
LEAP	0.04 ha	An area of open space specifically designed and laid out with features including equipment for children beginning to play independently.
NEAP	0.1 ha	An area of open space specifically designed, laid out and equipped mainly for older, more independent children.

- 8.4.10 The table below sets out the application of equipped play standards to the scale of development.

Scale of Development (dwellings)	Local Area of Play (LAP)	Local Equipped Area of Play (LEAPS)	Neighbourhood Equipped Area of Play (NEAP)	Multi-Use Games Area (MUGA)
5-10	✓			
1-200	✓	✓		Contribution
201-500	✓	✓	Contribution	✓
501+	✓	✓	✓	✓

	Tier 1		Tier 2	Tier 3
Scale of development (dwellings)	Informal play provision	Local Area of Play (LAP)	Local Equipped Area of Play (LEAP)	Neighbourhood Equipped Area of Play (NEAP)
Up to 20	✓			
21 – 100	✓	✓		
100 - 500	✓	✓	✓	
501+	✓	✓	✓	✓

Source: Fields in Trust Standards : Creating great spaces for all: 2024

- 8.4.11 In the calculation of playing pitch/outdoor sports, Sport England's playing pitch calculator should also be used alongside Fields in Trust to estimate demands that will be generated from the new development.<sup>59</sup> This should be used in conjunction with the Councils Playing Pitch Strategy and Action Plan 2025<sup>18</sup> (or ~~as superseded as this is currently being updated~~) to identify where the demands should be met in the locality. Consultation with Sport England, Town and Parish Councils and the relevant National Governing Bodies will be required where appropriate<sup>60</sup>.

<sup>59</sup> As of May 2020 Sport England limited the use of their Playing Pitch Calculator on the Active Places Power website to local authorities and their consultants. Therefore, developers will need to contact the Council's planning team where required.

<sup>60</sup> Sports England is a non-statutory consultee on residential development of 300 dwellings or more

- 8.4.12 All schemes should have regard to these standards as a guide when proposals are developed. The standards should not be treated as a cap for open space provision. We will encourage provision at above minimum standards wherever possible. Any discrepancies between the requirements arising from the Fields in Trust standards vs the Sport England calculator will be considered on a case-by-case basis having regard to local circumstances, provision and priorities.
- 8.4.13 Pre-application discussions are encouraged with the NHC ~~Green Space Greenspace~~ Manager and planning officers to select what is appropriate for the site. The Council aim to provide larger play spaces where a LAP could be sensitively integrated into a LEAP (as play for toddlers can sometimes benefit from a buffer/separation area with play for older children). Stand-alone LAPS will in general only be considered on an exceptions basis where there is no appropriate accessible play provision.
- ~~8.4.14 Play areas should be designed using Play England's 10 principles for designing successful play space<sup>64</sup>. Play areas should be located where there is sufficient natural surveillance from the street and neighbouring houses. Successful play spaces are located carefully to where children would play naturally and away from heavily trafficked roads, noise and pollution.~~
- ~~8.4.158.4.14 Children benefit from access to natural environments, features and natural play. In the right location grassy mounds, planting, logs, sand, trees, trunks and boulders can all help make a more attractive and playable setting for equipment where children can play in different ways and nature can also be supported. Play areas located in green space on natural through routes and by well used public footpaths work particularly well. Play can become part of the wider active landscape. Nature play can be introduced into new play spaces or incorporated into established ones. Maintenance and management plans will require a tailored approach, but costs can often be less than traditional play equipment.~~
- ~~8.4.16 For the avoidance of doubt, open space must be useable and accessible to the public (in perpetuity). SLOAP ('space left over after planning') should not be present in a well-designed scheme. Every space should have a clear design function. SLOAP such as roadside verges and small areas of incidental land will not count towards public open space. Structural and peripheral landscaping footpaths and cycleways also will not be included, unless they form an integral part to a large area of open space.~~
- ~~8.4.178.4.15 In relation to sustainable urban drainage these need to be designed according to the latest CIRIA guidance, where possible they should also be a usable and accessible feature of public open space fully integrated into the site layout and green space network with a well-designed interface with the surrounding space. To be considered as such they should bring amenity, landscaping and biodiversity benefits as well as the technical elements required. This would include a naturalistic and landscape-led approach with carefully~~

<sup>64</sup> ~~Design for Play. A guide to creating successful play spaces Play England June 2008.~~

~~planted edges with appropriate habitat, shallow gradients and banks/beaches with perimeter pathways for any areas of permanent water. The area of SUDS to be counted as 'recreational' open space should be dry and usable for a significant majority of the time.~~

### Qualitative provision and design of open space

~~8.4.18~~8.4.16 Each application (using the relevant evidence base documents) will be considered on its individual merits taking account of the:

- Future demands for open space arising from the development
- Current quantity deficiencies in the area
- The quality of existing open spaces in the area
- Accessibility (distance) to existing open space provision

~~8.4.19~~8.4.17 The table below provides definitions of the open space types that we are currently using.

Open Space Type	Description
Parks and Gardens	Managed and accessible, high public value opportunities for informal recreation and community events (should be designed around community hubs where co-location of facilities is encouraged in accordance with Sport England's Active Design Guidance). Include Country Parks, urban <u>and town centre</u> parks, local recreation grounds, formal gardens and local/neighbourhood pocket parks
Natural and Semi-Natural Green Space	Sites that provide wildlife conservation, biodiversity and a natural capital function (e.g. water management, soil quality, carbon sequestration). This type of greenspace includes local nature reserves, local wildlife sites, woodland, grassland, scrubland, wetlands etc. It also includes agricultural land or grazing land where there are public rights of way.
Amenity Greenspace	Informal recreational 'doorstep' spaces located close to people's homes providing a landscape and visual amenity role and supporting social interaction.
Allotments	Land where vegetables and fruit can be cultivated.
Equipped Areas for Play LAPs	<ul style="list-style-type: none"> <li>• <u>Small area close to home</u></li> <li>• <u>Specifically designed and laid out for very young children</u></li> <li>• <u>Designed for informal observation and supervision</u></li> </ul>

Open Space Type	Description
LEAPs	<ul style="list-style-type: none"> <li><u>No play equipment required – relies on demonstrative features to indicate that play is positively encouraged</u></li> <li><del>Primarily for under 6s</del></li> <li><del>Manufactured or natural play features</del></li> <li><del>Positioned by a pedestrian route that is well used</del></li> <li><del>Well-drained, reasonably flat site surface with grass or a hard surface</del></li> <li>Recommended minimum activity zone: 100 <del>sq/m</del> <u>square metres</u></li> <li><del>Buffer zone of 5m minimum depth separates activity zone and nearest dwelling</del></li> <li><del>May have a 600mm guard rail to indicate the perimeter</del></li> <li><del>Requires a sign indicating the area is for children's play and dogs are not welcome</del></li> </ul>
	<ul style="list-style-type: none"> <li><u>Specifically designed for children who are beginning to go out and play independently</u></li> <li><u>Within five minutes' walking time</u></li> <li><u>Within 400m walking distance of every home</u></li> <li><u>Located at the heart of the development, not at the edge</u></li> <li><u>No significant barriers to access the LEAP, for example main roads</u></li> <li><u>Should provide for informal recreation and varied, stimulating and challenging play experiences</u></li> <li><del>Positioned by pedestrian route that is well used</del></li> <li><del>Well-drained, reasonably flat site surfaced with grass or a hard surface, along with appropriate surfacing for play equipment or structures</del></li> <li>Recommended minimum activity zone is 400 <del>sq m</del> <u>square metres</u></li> <li><del>Play equipment is an integral part of the LEAP</del></li> <li><del>Buffer zone of 20m minimum separates activity zone and habitable room facade of nearest dwelling</del></li> <li><u>Equipment or natural landscape features should cater for different play types that test children's physical abilities</u></li> <li><del>Stimulating, challenging play experience with provision for a minimum number of six play experiences is recommended</del></li> <li><del>Adequate space for active play</del></li> <li><del>Boundaries should be recognisable by landscaping,</del></li> <li><del>Seating and litter bins provided</del></li> <li><del>Requires a sign indicating the area is for children's play and dogs are not welcome</del></li> </ul>

Open Space Type	Description
NEAPs	<ul style="list-style-type: none"> <li>• <u>Specifically designed, laid out and equipped mainly for older children but with play opportunities for younger children too</u></li> <li>• <u>Within 15 minutes' walk 1000 metres walking distance from home</u></li> <li>• <u>Minimum area of 1000 square metres</u></li> <li>• <u>More challenging items of equipment and features which meet the needs of older children and sufficient space to play larger group games</u></li> <li>• <u>Seating and shelter to enable young people to socialise</u></li> <li>• <del>Positioned by a pedestrian route that is well used</del></li> <li>• <del>Well-drained, reasonably flat site surfaced with grass or a hard surface, along with appropriate surfacing for play equipment or structures</del></li> <li>• <del>Recommended minimum activity zone is 1000 sq m, comprising an area for play equipment and a hard-surfaced area of at least 465 sq m</del></li> <li>• <del>Buffer zone of 30m minimum depth separates activity zone and the boundary of the nearest property</del></li> <li>• <del>Stimulating, challenging play experience with provision for a minimum number of nine play experiences is recommended</del></li> <li>• <del>Adequate space for active play</del></li> <li>• <del>Boundaries should be recognisable by landscaping</del></li> <li>• <del>Seating and litter bins provided</del></li> <li>• <del>Requires a sign indicating the area is for children's play and dogs are not welcome.</del></li> </ul>
MUGA	Minimum activity zone of 1000 sq m comprising structures and hard surfaced court for sports (court minimum dimensions 40x20 metres) with 30 m separation zone between the activity zone and the boundary of the nearest property containing a dwelling
Outdoor Sports	Natural or artificial playing pitches including for football, rugby, cricket, hockey, tennis, bowling and athletics tracks and other outdoor sport activities.

8.4.20 — The Council will encourage new housing developments to follow the 10 principles below aimed at achieving well-designed green space.

- 1) — The retention and enhancement of existing green infrastructure (natural features) through the site

- 2) — The provision of sufficient landscape, visual, noise, air quality and ecological buffers
- 3) — A connected (edge to edge) seamless and accessible network of open spaces linked with pathways and routes within the site and to the surrounding area (including direct utility routes to key destinations and recreational routes to the wider green infrastructure network)
- 4) — Centrally located, overlooked and enclosed open spaces and where appropriate on larger sites co-located with other uses such as schools and shops to encourage active design and social interaction
- 5) — Create attractive and well landscaped gateway and 'focal point' open spaces to support legibility, wayfinding and social interaction
- 8.4.21 Create a habitat and ecological network/spaces that allow people to interact with nature every day and habitats and species to flourish with generous tree planting<sup>62</sup> and hedgerows to provide multiple functional benefits including cooling and shading, noise and visual buffers, perimeter boundary treatments and wildlife benefits
- 6) — Use green corridors with footways and cycleways through the site to support active travel, include these as linear parks on larger scale sites
- 7) — Sustainable urban drainage should be fully integrated into the site masterplan/layout and open space network and use above ground features to mimic natural drainage patterns, manage flood risk and maintain the natural water cycle, improve water quality and include measure to enhance habitat creation through aquatic and marginal planting.
- 8) — Provide outdoor sports provision and MUGAs in co-ordinated and strategic locations to ensure access to sport and recreation
- 8.4.22 On larger sites plan and design for dog walking and running routes of 2.7 km with the site and/or with links to surrounding public rights of way and the means to support physical activity and social interaction.

8.4.18 For sites that require a Strategic ~~Masterplan~~Masterplan, a Green Infrastructure Framework Plan will be required. This should clearly colour code the open space types that the application seeks to deliver in accordance with Fields in Trust standards as well as areas for sustainable urban drainage to inform the LPA of the proposed green space provision and design intent. The proposed site area (in hectares) should be provided for each open space and clearly referenced to the plan. Plans and supporting commentary should identify the character and function of new open spaces through specific names rather than a generic POS reference.

8.4.19 Children benefit from access to natural environments, features and natural play. In the right location grassy mounds, planting, logs, sand, trees, trunks and boulders can all help make a more attractive and playable setting for equipment where children can play in different ways and nature can also be supported. Play

<sup>62</sup> The Trees and Design Action Group (TDAG) publication *Tree Selection for Green Infrastructure: A Guide for Specifiers* 2018 provides guidance on selecting appropriate species for a range of planning scenarios based on comprehensive research

areas should be located where there is sufficient natural surveillance or on natural through routes and should be designed using Play England's 10 principles for designing successful play space.

8.4.20 We are developing a District Design Code which will provide additional guidance on how open spaces should be designed into and become an integral part of the community

8.4.21 For the avoidance of doubt, open space must be useable and accessible to the public (in perpetuity). SLOAP ('space left over after planning') should not be present in a well-designed scheme. Every space should have a clear design function. SLOAP such as roadside verges and small areas of incidental land will not count towards public open space. Structural and peripheral landscaping footpaths and cycleways also will not be included, unless they form an integral part to a large area of open space.

8.4.238.4.22 In relation to sustainable urban drainage these need to be designed according to the latest CIRIA guidance, where possible they should also be a usable and accessible feature of public open space fully integrated into the site layout and green space network with a well-designed interface with the surrounding space. To be considered as such they should bring amenity, landscaping and biodiversity benefits as well as the technical elements required. This would include a naturalistic and landscape-led approach with carefully planted edges with appropriate habitat, shallow gradients and banks/beaches with perimeter pathways for any areas of permanent water. The area of SUDS to be counted as 'recreational' open space should be dry and usable for a significant majority of the time.

#### **Financial contributions in lieu towards off-site provision of open space types**

8.4.248.4.23 Where the Council considers it appropriate a financial contribution to be paid in lieu of on-site provision, towards new or enhanced provision off site within the vicinity of the development will be considered where the need arises directly from the development. Such financial contributions in lieu may be considered where the full amount of required open space cannot be realistically delivered on-site (e.g. the site is too small to provide a space of a functional size or improvements to a site in the local vicinity could adequately meet the open space needs generated by the development).

8.4.258.4.24 This decision-making will be informed by the relevant evidence base e.g. the Green Space Action Plans, relevant Neighbourhood Plans, the Council's Playing Pitch Strategy and Action Plan 2025<sup>18</sup> and ~~the Council's Open Space Assessment 2022, or~~ any subsequent equivalent documents. This will be considered on a case-by-case basis by North Hertfordshire Council's Greenspace and Planning teams, in consultation with relevant organisations such as Sport England, Town and Parish councils and National Governing Bodies as appropriate.

## Maintenance and management of green space

**8.4.268.4.25** The North Hertfordshire Council Green Space Management Strategy 2022-2027 sets out all sections of the community should have access to green space and experience its multiple benefits. Green space should be freely accessible to all the public and not be reserved for the private use of residents.

**8.4.278.4.26** The council will consider the adoption and management of new strategic green space in the following circumstances:

- It is located within the four main towns of Baldock, Letchworth, Hitchin and Royston (and Great Ashby) and complements existing service maintenance operations.
- The green space is meeting a current deficiency and new provision would meet the needs of existing and new residents.
- The green space is meeting a strategic gap in the green space network and improving the quantity, quality and connectivity of the district's green space network.
- Where longer term revenue streams such as council tax can be effectively recycled back into the locality as part of place investment.
- Where other corporate objectives can be met such as climate change, biodiversity and health and wellbeing.

**8.4.288.4.27** For smaller green spaces and new green space in other settlements, other options should be considered and agreed on a site-by-site basis, such as parish councils and private management companies.

**8.4.298.4.28** Allotments are often managed by Town or Parish Councils (or Allotment Associations), and it is recommended that they are consulted before submitting a planning application to discuss provision, local demands and design preferences (i.e. full or half plots).

**8.4.308.4.29** Should new provision be adopted by North Hertfordshire Council or by a Town or Parish Council then a commuted management sum would be payable for a period of not less than 20 years with the contributions being given to the relevant body.

**8.4.318.4.30** Please refer to Appendix B for current maintenance contract prices relating to open space. The Council will consider other management approaches such as private management companies. Such arrangements would require open space management in perpetuity.

## 8.5 Flood risk and management

**8.5.1** [Local Plan](#) Policy SP11: Natural resources and sustainability expects that development is directed at areas of lowest risk of flooding and that Sustainable Drainage Systems (SuDS) and other appropriate measures are in place. Applicants are required to work with the Lead Local Flood Authority

(Hertfordshire County Council), the Environment Agency and Internal Drainage Boards at the earliest opportunity.

- 8.5.2 It is expected that any necessary flood mitigation measures are to be provided by the developer through on or off-site provisions to make the proposed development acceptable and this will be secured by planning conditions and/or legal agreement.
- 8.5.3 Where SuDS are required, on-going management and maintenance arrangements will need to be demonstrated.

## **8.6 Waterways**

- 8.6.1 [Local Plan](#) Policy NE9: Water quality and environment requires river restoration and resilience improvements where proposals are situated close to a river or considered to affect nearby watercourses. In some instances, contributions will be required towards these measures. These may also form part of a programme to deliver biodiversity net gain associated with new development.
- 8.6.2 In particular, there are a number of rare chalk streams in Hertfordshire. There are only around 200 such streams in the world of which 85% are found in the UK. The Environment Agency has been working with water companies and key partners to improve and restore chalk streams in the area. Contributions may be sought towards appropriate projects.
- 8.6.3 Developments may also need to incorporate improvements in the efficiency of water use, surface drainage systems and pollution prevention measures and such measures will be secured via planning conditions or legal agreement.
- 8.6.4 Applicants should work with the Council, the Internal Drainage Board and the Environment Agency where proposals affect water resources.

## **8.7 Other forms of Green Infrastructure**

- 8.7.1 The subsections above refer to various forms of green infrastructure. However, these are not exhaustive. The provision of open space (in the context of Section 8.4), for example, relates to more formal, and mainly publicly accessible, opportunities within settlements or proposed developments.
- 8.7.2 The definition of Green Infrastructure is much broader than this. It includes green spaces outside of settlement boundaries such as areas of woodland, other key habitats or species-rich areas. These may or may not be publicly accessible. It also encompasses access links such as the rights of way network, long-distance paths and cycle routes and the broader setting of all of these assets in the landscape.
- 8.7.3 The Council may seek contributions towards projects identified in strategies and guidance. Where it is reasonable to do so, in this or any equivalent successor document.

## 8.8 Water supply and waste-water infrastructure

- 8.8.1 Local Plan Policy SP11: Natural resources and sustainability requires that the water environment is protected, enhanced and managed. The Water Cycle Studies for both the Rye Meads catchment area and Royston identify technical solutions that will be secured via planning conditions and/or legal agreement.
- 8.8.2 The Environment Agency's Catchment Data Explorer should be used to identify contributions that may be required by development proposals towards improvements to water resources.
- 8.8.3 Residential schemes are required by [Local Plan](#) Policy D1: Sustainable design to meet or exceed the optional water efficiency standards. This will be secured by planning conditions and/or legal agreement.
- 8.8.4 Mechanisms for delivering any necessary new or improved water and/ or wastewater infrastructure, including foul water treatment and drainage disposal, may be required via planning conditions and/or legal agreement in accordance with Local Plan Policy NE10: Water Conservation and wastewater infrastructure.

## 8.9 Development on contaminated land

- 8.9.1 The Council will support proposals that involve the remediation of contaminated land in line with Local Plan Policy SP11: Natural resources and sustainability.
- 8.9.2 Where a contaminated land study/contaminated land risk assessment identifies required remediation works in accordance with Local Plan Policy NE11: Contaminated land, these will be secured through planning conditions and/or legal agreement. Remediation works may include measures to safely manage land contamination before, during and after development.

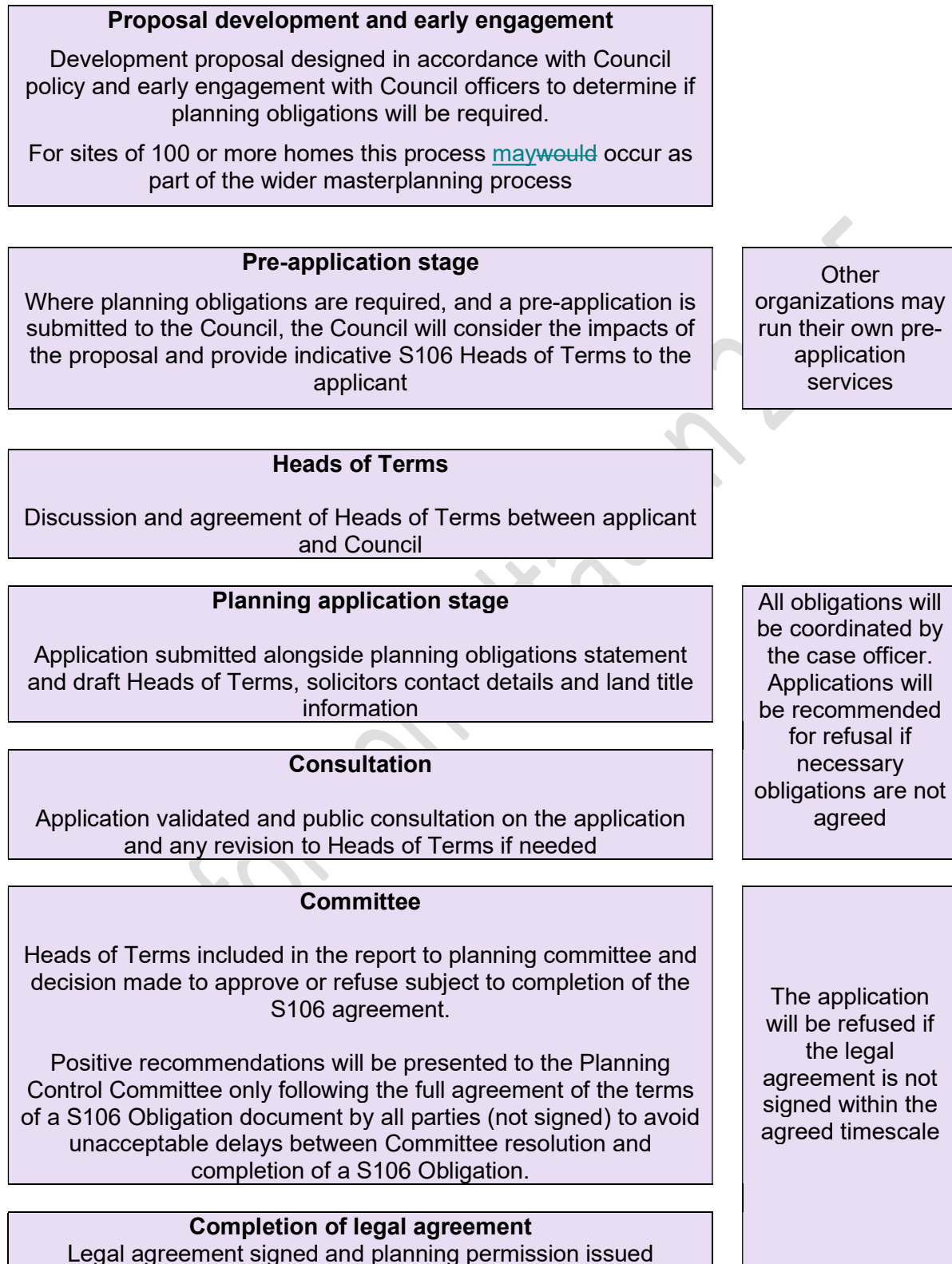
## 8.10 Climate change and renewable and decentralised energy

- 8.10.1 Local Plan ~~p~~Policy SP11: Natural resources and sustainability supports proposals for low carbon energy and Policy D1: Sustainable design requires development proposals to reduce energy consumption and future proof for changes in technology and lifestyle. In securing such measures relating to design (including materials used) and the use of technology, the Council will use planning conditions and/or legal agreements.
- 8.10.2 Policy NE12: Renewable and low carbon energy development refers to renewable and low carbon energy development comprising wind, wave, tidal, hydro or solar power and biomass fuels. On larger schemes, there may be opportunities for decentralised energy. In line with the ~~NPPF~~[National Planning Policy Framework](#), any impacts of this type of development should be addressed. This may include the use of planning conditions and/or legal agreement to secure any mitigation measures.

- 8.10.3 ~~The Hertfordshire Renewable and Low Carbon Energy Technical Study (or an updated study if superseded during the lifetime of this document) should be used when considering energy opportunity areas in the District.~~

draft for consultation 2025

## Appendix A: S106 process flow-chart



## Appendix B: Maintenance Contract Prices for Open Space (February 2022)

Feature	Unit	Annual Cost £
Existing Woodland	1 HA	18,914.65
New Woodland	1 HA	23,757.29
Existing Hedgerow	1 Linear metre	2,682.14
New Hedgerow (Natural)	1 Linear metre	9,147.14
New Hedgerow (Formal)	1 Linear metre	11,204.97
New Hedgerow ( <del>Prestigious</del> Prestigious)	1 Linear metre	13,235.05
Newly Planted Formal Tree (E.g. Avenues, roadside and specimen etc)	1 Tree	12,472.80
Newly Planted Informal Tree (E.g. within a park)	1 Tree	14,979.50
Existing Mature Tree	1 Tree	150
LAPS (Equipped)	Activity zone and buffer	788.53
LAPS (Not Equipped)	Activity zone and buffer	788.53
LEAPS (6 pieces of equipment)	Activity zone and buffer	788.53
NEAPS (8-10 pieces of equipment)	Activity zone and buffer	788.53
Pavilion *	1 m <sup>2</sup>	*
Football Pitch (grass) *	Including buffer	10,876.90
Amenity Grassland (parks & greens spaces)	1 m <sup>2</sup>	0.00
Fine Turf *	1 m <sup>2</sup>	0.00
Conservation	1 m <sup>2</sup>	0.00
Ornamental Shrub Borders (Including herbaceous and Rose borders)	1 m <sup>2</sup>	0.00
<del>Seasonal Bedding *</del>	<del>1 m<sup>2</sup></del>	<del>0.00</del>

Feature	Unit	Annual Cost £
Open Space Hard surfaces (Footpaths that are not adopted by the County Council)*	1 linear metre	0.00
Litter Bin*	1	34.40
Dog Bin*	1	128.52

draft for consultation 2025

## CABINET

23 September 2025

### PART 1 – PUBLIC DOCUMENT

#### **TITLE OF REPORT: STRATEGIC PLANNING MATTERS**

REPORT OF: NIGEL SMITH, DIRECTOR: PLACE

EXECUTIVE MEMBER: CLLR DONNA WRIGHT, EXECUTIVE MEMBER FOR PLANNING & TRANSPORT

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

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

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

#### **2. RECOMMENDATIONS**

- 2.1. That the report on strategic planning matters and appendices be noted.

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

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

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

- 4.1. None

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

- 5.1. The Executive Member has been briefed on the relevant matters in this report. Where appropriate these have also been reported to the Council's internal, informal Strategic Planning Project Board. This includes cross-party representation from all political groups. The Project Board is chaired by the Executive Member for Planning & Transport. Local ward members have been invited to participate in relevant meetings of the Board

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

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

#### **7. BACKGROUND**

- 7.1. Members will be aware of, and familiar with, many of the issues surrounding the strategic planning matters referred to in paragraph 1.1 above. This report is intended to provide Members with the current positions on the following key matters where there has been substantive change since the report in June 2025.

## 8. RELEVANT CONSIDERATIONS

### ***Government Changes***

- 8.1. In May 2025, the government launched two consultations; one on the *Speed Up Build Out* paper, which outlined a series of proposals aimed at accelerating the build-out rate of new homes and the second on reforms of planning committees.
- 8.2. The Speed Up Build Out paper outlined measures focused on creating effective incentives and tools to support timely housing delivery. Key proposals included:
- **Delayed Homes Penalty:** Financial penalties for developers who fall significantly behind their agreed build-out schedules.
  - **Mandatory Reporting Requirements**, including:
    - A *Build Out Statement* submitted with planning applications, detailing the proposed construction timeline.
    - An *Annual Development Progress Report* submitted to local planning authorities.
    - A *Commencement Notice* issued prior to the start of construction.
  - **Enhanced Compulsory Purchase Powers** to unlock stalled development sites.
  - **Support for SME Developers**, aimed at reducing regulatory burdens and ensuring timely planning decisions.
  - **Promotion of Accelerated Delivery Models**, such as partnerships and public sector master-planned sites.
  - **Reform of Developer Contributions**, exploring a simplified national levy to replace the existing system.
  - **Fast-Track Planning for “Beautiful” Developments**, supported by local design guidance.
  - **Increased Development on Brownfield Land**, encouraging more efficient land use.
- 8.3. A joint response to the consultation was submitted by the Hertfordshire Infrastructure & Planning Partnership (HIPP), representing eleven Hertfordshire councils and other stakeholders, including North Herts District Council (Appendix 1).
- 8.4. While HIPP expressed strong support for the principle of timely housing delivery, the response raised several concerns regarding the practicality and effectiveness of the proposals:
- **Administrative Burden:** Questions were raised about whether the additional reporting and procedural requirements would lead to meaningful improvements in delivery outcomes.
  - **Enforcement Challenges:** Concerns were noted around the complexity of enforcing build-out schedules, particularly on strategic sites involving multiple developers, and the potential for inconsistent approaches.

- **Impact on SMEs:** Although intended to support smaller developers, some proposals may inadvertently increase bureaucracy and costs.
  - **Infrastructure and Cashflow Constraints:** The response acknowledged that slow delivery is often linked to cashflow issues and the need for upfront infrastructure investment, which the proposals do not address.
  - **Local Authority Capacity:** Doubts were expressed about whether the measures sufficiently tackle the resourcing and capacity challenges faced by planning authorities.
  - **Data-Driven Monitoring:** The response recommended better utilisation of local data to inform and improve monitoring practices.
- 8.5. The second consultation on the reform of planning committees sought views on a national scheme of delegation, control of the size and composition of planning committees, and mandatory member training.
- 8.6. The HIPP response (Appendix 2) covered the following:
- **Delegation:** limiting democracy and removing the democratic process through removing the right for members to call-in applications by restricting transparency in the decision-making process is worrying and do not believe this will increase the speed of housebuilding.
  - **Size and Composition of committees:** no observations.
  - **Mandatory training for planning committee members:** no objection to involvement of other organisation such as PAS in process, however any national training and certification process will require considerable resource.
- 8.7. On 19 August, MHCLG issued a letter to Chief Planners which outlined a number of changes including:
- **An update on the new plan making system**, advising LPAs to undertake preparatory work in advance of the legislation and regulations including, early scoping of issues; progressing evidence base; preparing for engagement; developing project management, resource and governance arrangements; and establishing risk monitoring.
  - **Response from MHCLG about Statutory consultees** – removing statutory consultee status from Sport England, the Theatre Trust and the Garden Trust; reforms to the scope of other statutory consultee, establishing a new performance framework; and ensuring the system is appropriately resourced.
  - Announcing a PAS (Planning Advisory Service) **national survey about planning fees.**
  - An update on creating a more **standardised approach to planning data.**
  - Informing the **CPOs thresholds** will be maintained.
  - Inviting stakeholders to respond to a **consultation on electricity networks.**
  - Informing LPAs that Public Practice will be launching a year-round recruitment for built environment professionals rather than a once year opportunity.
  - Informing that the pathways to planning (graduate recruitment) is open for September 2026 starts.

- Request to share views on digital design codes.
  - Highlighting PAS best practice self-assessment toolkit which helps Councils to review their planning committees.
  - Highlighting the Nature Towns and Cities Green Infrastructure support.
- 8.8. There is still no update as to when the consultation on National Development Management Policies (NDMPs) is likely occur. The Council intends to submit a formal response to the NDMP consultation once it is published. Given that NDMPs will form part of the statutory Development Plan, their content will need to be fully considered during the preparation of the Local Plan.
- 8.9. The forthcoming changes to the local plan-making process are expected to have significant implications for the overall programme and timeline of the Local Plan. While the legislation underpinning the new process is not expected to be laid before Parliament until the end of the year, it is hoped that accompanying guidance will be released in the autumn to support transitional planning and implementation.

#### ***Proposed Expansion of Luton Airport***

- 8.10. As previously reported, the Council received a copy of the Notice of the decision by the Secretary of State for Transport on [3 April 2025](#) to approve Luton Rising's Development Consent Order (DCO) application for the expansion of London Luton Airport to increase passenger numbers from the currently consented 19mpa to 32mpa by 2040s following completion of a lengthy Examination on 10 February 2024. This decision was despite National Planning Inspectors recommending refusal against the proposed development due to its significant environmental harms. The decision was subject to a 6-week High Court challenge period called a Judicial Review.
- 8.11. The Luton And District Association for the Control of Aircraft Noise (LADACAN) initiated legal proceedings to challenge the Transport SoS decision considering it to be unlawful, and after seeking legal advice, the association launched a Judicial Review to have the SoS's decision quashed. Permission has been granted by the High Court to proceed with a full judicial review hearing into the minister's consent. This hearing is due to take place in early November 2025.

#### ***Strategic Sites***

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

Policy SP14: North of Baldock	<p>The masterplan for this site was adopted as a material consideration for any future planning applications by Full Council in June 2025.</p> <p>An outline application is expected in December 2025.</p>
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SP15: North of Letchworth	<p>The masterplan for this site was adopted as a material consideration for any future planning applications by Full Council in July 2024.</p> <p>The applicant is currently in the process of procuring a development partner.</p>
SP16: North of Stevenage	<p>The masterplan for this site was adopted as a material consideration for any future planning applications by Full Council in November 2024.</p> <p>Members resolved to approve the outline planning application (23/01935/OP) in March 2025 subject to completion of the s106 agreement.</p> <p>A draft design code is being prepared for the site.</p>
SP17: Highover Farm, Hitchin	<p>Outline planning permission for this site was granted in November 2024 on completion of the s106 legal agreement following a resolution to grant permission by the Planning Committee in October 2023.</p> <p>Reserved matters applications have been received for infrastructure and the first phases of new homes, along with a proposed Design Code for the site.</p>
SP18: North-east of Great Ashby	<p>The masterplan for this site was adopted as a material consideration for any future planning applications by Full Council in November 2024.</p> <p>An outline application is expected in September 2025.</p>
SP19: East of Luton	<p>The masterplan for this site was adopted as a material consideration for any future planning applications by Full Council in January 2025.</p> <p>Two outline planning applications are under consideration (Council application references 17/00830/1 and 16/02014/1).</p>

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

### ***North Herts Local Plan***

- 8.14. As previously reported in the June Strategic Planning Paper, the current *Local Development Scheme* outlines an indicative timetable for the preparation of the next Local Plan:
- **Regulation 18 Consultation** (Options Document): anticipated for late 2025
  - **Regulation 19 Consultation** (Draft Local Plan): expected in late 2026
  - **Examination in Public**: scheduled for summer 2027
  - **Adoption**: targeted for the end of 2027
- 8.15. The Council continues to await the publication of government legislation detailing the new arrangements for local plan making. These changes are expected to have significant implications for the Local Plan programme. Once formal guidance is issued—anticipated in autumn 2025—the timetable will be reviewed and updated to reflect any new statutory requirements.
- 8.16. In the meantime, work is progressing on the development of the evidence base to support the Local Plan. Key studies currently being procured /underway include:
- Strategic Market Housing Assessment
  - Economic Land Review
  - Joint Green Belt Review
  - Viability Study
  - Landscape Study
- 8.17. An initial expression of interest for the Call for Sites was conducted from June to September 2025, inviting submissions from landowners and stakeholders to submit sites for development. Officers are currently reviewing the information received. A more formal Call for Sites will be launched from November 2025 through to January 2026 which will request more detailed information for those sites which have potential for development. This process will inform the site allocation work that underpins the emerging Local Plan.

### ***Other Local Authorities' Local Plans***

- 8.18. We are neighboured by eight other Local Authorities who are all at differing stages of their Local Plans. As part of Duty to Co-operate, we maintain regular contact with regard to the status of their Local Plans and input to consultations as appropriate. Details of the most recent positions of our neighbours is set out below.

### ***St. Albans City and District Council***

- 8.19. Examination of the St Albans Local Plan started 29 April 2025. North Herts did not appear at the hearing sessions. Local Plan Stage 2 is likely to take place in autumn 2025.
- 8.20. Examination is expected to continue until February 2026 with a view to adopt in March 2026. More details can be found on St Albans City and District Council's website.

*Uttlesford District Council*

- 8.21. Examination of the Uttlesford Local Plan took place in June 2025. The Inspector published a post-hearing note in July 25 which requested the Council undertake some amendments. These will be consulted on for a minimum of six weeks, after which the inspector's report will be published. It is expected that the Local Plan will be adopted in Spring 2026.
- 8.22. More details can be found on [Uttlesford District Council's website](#).

*Stevenage Borough Council*

- 8.23. Stevenage Borough Council are undertaking a partial review of their Local Plan. The Council have submitted the Plan for a examination which is expected to be undertaken in the autumn 2025.
- 8.24. We have made representations on the Plan and await direction as to the next steps in terms of the examination of the Plan. More details can be found on [Stevenage Borough Council's website](#).

*Luton Borough Council*

- 8.25. Luton Borough Council are undertaking a review of their Local Plan. The Regulation 18 issues and options consultation closed in February 2025. A further Regulation 18 consultation is planned for March – April 2026.
- 8.26. More details can be found on Luton Borough Council's website.

*Central Bedfordshire Council*

- 8.27. A Call for Sites exercise was carried out November 2024 to January 2025. This has been published and can be viewed here [Call for Sites | Central Bedfordshire Council](#).

*East Hertfordshire District Council*

- 8.28. East Hertfordshire District Council anticipate beginning the plan making process in October 2025, allowing 30-month period to start in Feb 2026. Consultation will begin in June 2025 with adoption looking to be taken in 2028. This remains subject to secondary legislation.
- 8.29. A Call for Sites exercise was carried out July to September 2024. Results of this exercise are currently being assessed and will be published in due course.
- 8.30. Moe details can be found on [East Herts Council's website](#).

*Welwyn Hatfield District Council*

- 8.31. A Call for Sites exercise was carried out recently and closed March 2025. A second Call for Sites has been launched, focusing on brownfield and urban land, which closed on 19 September 2025. Results of this exercise are currently being assessed and will be published in due course.
- 8.32. More details can be found on [Welwyn Hatfield District Council's website](#).

*South Cambridgeshire District Council*

- 8.33. The Council are undertaking a Local Plan with Cambridge City Council under the Greater Cambridge Local Plan. A Call for Sites was previously undertaken and they plan to consult on a draft Plan in autumn/winter 2025.
- 8.34. More details can be found on [Greater Cambridge Shared Planning's website](#).

***Neighbourhood Plans***

- 8.35. A referendum on the Codicote Neighbourhood Plan was held on 15 August and was agreed. A separate report on this is included in this agenda.
- 8.36. Separately, the Ministry of Housing, Communities and Local Government (MHCLG) has announced the closure of financial support for local neighbourhood planning groups. Previously, these groups could apply for funding for technical studies to support their neighbourhood planning work. This may have an effect on the number of neighbourhood plans that come forward in the future. MHCLG have not announced whether they will continue to support local planning authorities for the work involved in supporting neighbourhood plans.

***Other matters***

*North, East & Central Herts Authorities Strategic Planning*

- 8.37. Since 2019 the Council together with East Herts District Council, Stevenage Borough Council, Welwyn Hatfield District Council, Broxbourne Borough Council and Hertfordshire County Council along with the help of consultants, have been working together on the strategic planning of the area. This included establishing a Vision and a Growth Study for North East Central (NEC) Herts. The intention of the Growth Study is to create a key piece of initial evidence to support the preparation of a joint strategic plan for the area and inform the next round of Local Plans from the 2030s to 2050.
- 8.38. The Stage 2 Growth Study is currently being finalised with a final report expected mid – end of September with a member briefings prior to final publication. Outcomes of this will be reported in the next Strategic Matters Report.

*North Herts Council's Draft Town Centres Strategy*

- 8.39. Officers presented an overview of the Town Centres Strategy to the Strategic Planning Project Board on 15 July 2025. The Board received a presentation from officers and their consultants, Lichfields, on the status of the project and an overview of the interim Draft Strategy. This presentation included a detailed discussion of Section 3: Individual Town Centre Strategies within the Draft Strategy, which provides per town centre a vision statement, summary of key priorities including development opportunities for larger parcels of land and how these could be taken forward through partnership working. The discussion also revolved around the requirements for a further section (Section 4) outlining next steps to identify various funding and delivery opportunities to support the future vitality and viability of the town centres. The Board members acknowledged receipt of the presentations and the comprehensive work undertaken by officers and their consultants.
- 8.40. The proposed timeline for delivery of the Draft Strategy for September Cabinet was agreed with the Board, officers, and their consultants, with intentional consideration for time to review further redrafts. However, due to the number of comments received and the detailed amount of work associated with Section 3 to review the priorities for the individual town centres, including drafting a further section (Section 4: Funding and Delivery), the consultants have taken longer than anticipated. This extra time and effort towards the project have allowed for re-reviewing the evidence base and cross-checking across the various sections of the Draft Strategy.
- 8.41. For officers, the Executive Member and Strategic Planning Project Board Members to have sufficient time to review the completed Draft Strategy it has been agreed to defer the Draft Strategy to the November Cabinet meeting. This will result in a more robust and comprehensive document to be presented to Cabinet for public consultation in December and January. This revised programme will also afford wider public engagement with the Area Forums during the consultation period, in addition to consulting with key stakeholders, local businesses and members of the public registered on the council's Local Plan data base.

**9. LEGAL IMPLICATIONS**

- 9.1. Under (Section 5, paragraph 5.7.18) of the Council's Constitution (the Terms of Reference for Cabinet), the Constitution states that Cabinet may exercise the Council's functions as Local Planning Authority and receive reports on strategic planning matters, applications for, approval/designation, consultation/referendums revocations (or recommend revocation) of neighbourhood plans and orders, (except to the extent that those functions are by law the responsibility of the Council or delegated to the Service Director: Regulatory).
- 9.2. The preparation of statutory plans and supporting documents is guided by a range of acts and associated regulations including the Planning and Compulsory Purchase Act 2004 (as amended) and the Localism Act 2011.

- 9.3. Under the Council's Constitution (14.6.10 (b) iv B) all functions relating to National Infrastructure Planning including co-ordination of the Council's response to any consultation, examination or other any other matter concerned with major infrastructure projects, is delegated to the Service Director Place.

## **10. FINANCIAL IMPLICATIONS**

- 10.1. The general costs of activities identified in this report - including the additional, temporary posts identified in Section 15 below - are met through existing revenue budgets, reserves or benefit from external funding or other arrangements to recover costs.
- 10.2. £20k has been set aside in the budget for any additional work associated with the London Luton Airport DCO application following the conclusion of the Examination from the SoS, and following the outcome of the Judicial Review and any ongoing work arising from a positive decision, such as implementing monitoring levels and the enforcement of the approved scheme.

## **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. Delays to the publishing of secondary legislation relating to Local Plans poses risks to the progression of the Local Plan update. However, we will keep this under review.

## **12. EQUALITIES IMPLICATIONS**

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

## **13. SOCIAL VALUE IMPLICATIONS**

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

## **14. ENVIRONMENTAL IMPLICATIONS**

- 14.1. Several of the schemes noted at section 8 will have considerable impact on the environment as they come to fruition. Many of these will be subject to their own statutory requirements for environmental assessment such as Sustainability Appraisal or Environmental Impact Assessment. The need for further assessment, for example where there is no statutory requirement, is considered on a case-by-case basis.

## **15. HUMAN RESOURCE IMPLICATIONS**

- 15.1. No new implications arising from this report. Staffing and capacity within the planning service is monitored and managed on an on-going basis. Several new posts – approved through revenue budget bids – are currently being advertised to provide new or additional capacity for transport, tree & landscape and administrative matters.
- 15.2. There is presently one vacancy in the Development Management service which will be advertised shortly. Additional capacity through fixed-term posts is currently being explored.
- 15.3. Of three posts within the Strategic Planning Team, two fixed-term posts have been filled. Recruitment to a permanent post was not successful and will be readvertised shortly.

## **16. CONTACT OFFICERS**

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HERTFORDSHIRE INFRASTRUCTURE & PLANNING PARTNERSHIP

Dear Sir/Madam

## **Planning Reform Working Paper: Speeding Up Build Out**

### **Hertfordshire Infrastructure & Planning Partnership Response**

I write on behalf of the Hertfordshire Infrastructure & Planning Partnership (HIPP) in response to the planning reform working paper on speeding up build out.

HIPP comprises the planning portfolio holders and heads of planning from the eleven councils in Hertfordshire as well as including representation from other stakeholders.

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

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

This letter represents the views of HIPP on the planning reform working paper on speeding up build out.

The councils in Hertfordshire are committed to swift decision-making to support the delivery of new homes but remain concerned that a wave of planning reforms presents significant uncertainty for local authorities and other stakeholders. It is unclear how the combination of recent, emerging and promised reforms will knit together and subsequent proposals to load the planning system with new responsibilities places additional burdens on already stretched teams.

HIPP is very supportive of the timely delivery of homes and has been consistently concerned regarding the variation between trajectories presented at local plan examinations and our practical experience on the ground. With failure to deliver seen as a local authority issue when there are few tools available to encourage faster delivery timetables, HIPP understands the desire to provide such tools. However, we question whether the proposals will achieve improvement overall when balanced against the addition of further administrative procedures and responsibilities. Local authorities are under constant pressure to approve more homes, and the refusal of applications based on previous slow delivery is likely to be a difficult balance to strike.

Procedurally, there are concerns regarding the process of notifications, who authorities are *enforcing* against when multiple builders are delivering strategic sites and who acts as an adjudicator in the decision-making process. The practical process of enforcement is unclear and references such as 'unreasonably slow' suggest a balance should be struck by local authorities which may lead to inconsistencies.

The proposals aim to support SMEs to deliver more sites, but it is unclear how the proposals achieve this objective if a consequence is increasing bureaucracy and adding cost to the overall process which SMEs might be less well placed to support.

Proposals to date fail to address some of the main barriers to slow delivery which often relate to cashflow and front-loading of infrastructure. It is imperative that funding gaps are addressed, and infrastructure is supported to unlock sites. Hertfordshire has an infrastructure funding gap in excess of £3.5bn and lack of funding is slowing delivery and frustrating local residents who accept growth and expect the timely provision of supporting infrastructure.

We consider that the ability to understand data from annual completion surveys might be a productive step so that Government can monitor and report on that data and record it by supplier. Evidence to support potential process improvements might be better informed by local data which should be compiled at the national level. In Hertfordshire, completion data is collected annually, and we would welcome the opportunity to work with MHCLG on potential reporting which should not place significant new burdens on existing teams.

Finally, it is also important to acknowledge the significant gap that currently exists in resourcing which will continue to be a barrier if the expectation is that the planning system will be required to increase monitoring and enforcement. Resource constraints within the planning sector and in particular Local Planning Authorities is a known problem and whilst some positive steps are being taken by the government to address recruitment and retention issues, they do not go far enough.

Furthermore, we are concerned that the recent government announcement that Level 7 apprenticeships will no longer be eligible for levy funding (unless the apprentice is under 22 years, or under 25 years old with an EHCP or care leaver status), will have a negative impact on the ability of Local Planning Authorities to attract and train planners on the basis that levy funding is restricted to those under 22 years old. This age limit does not reflect the reality of those training as planners, many of whom will already have an undergraduate degree before deciding to train as a planner.

Linked to this, we would be keen to receive an update on plans to recruit 300 new planners into the public sector by 2026.

Should these build out proposals progress, HIPP would welcome the opportunity to support discussions regarding the practicality of process improvements and would propose workshops with a range of pilot authorities who will be dealing with a variety of different schemes.

I hope that this response to the consultation is of use to shaping future proposals. Please do not hesitate to contact HIPP should you require any further information. The main officer contact for HIPP is Sara Saunders, Director for Place at East Herts. Please contact either Cllr. Allen via email at [daniel.allen@north-herts.gov.uk](mailto:daniel.allen@north-herts.gov.uk) or Sara Saunders at [sara.saunders@eastherts.gov.uk](mailto:sara.saunders@eastherts.gov.uk)

Yours sincerely

Cllr Daniel Allen  
HIPP Chair



Dear Sir/Madam

**RE: Consultation on the reform of planning committees**

Thank you for the opportunity to comment on the government's consultation on proposed changes to the way in which decisions are made on planning applications. This letter represents the collective comments of the Hertfordshire Infrastructure and Planning Partnership (HIPP) on the proposals on behalf of Hertfordshire Growth Board (HGB).

The Hertfordshire Infrastructure & Planning Partnership, or "HIPP," comprises the planning / transport portfolio holders and heads of planning from the eleven councils in Hertfordshire as well as representation from Hertfordshire Futures (Local Enterprise Partnership) and others. The partnership is supported by Hertfordshire Planning Group, comprising heads of planning and invited guests, as well as sub-groups which bring together planning policy managers and development management managers.

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

HIPP welcomes the opportunity to comment on the proposed reforms relating to planning committees and the way applications are determined. HIPP recognises that the Government is committed to encouraging better quality development that is aligned to local plans, facilitate the speedy delivery of quality homes and places and to giving applicants reassurance.

**Delegation of planning functions**

Tier A applications will remove the ability of Planning Committees to consider applications that fall within this definition. Whilst these applications may be minor they can create a significant amount of interest from the community and valid planning concerns are often raised.

Therefore, limitations placed upon the ability for elected Members to request often contentious applications to be determined within a public arena is not supported as it would unnecessarily limit the important role of public engagement and democracy in the planning application process. There should be some controls over this process, but it is considered that this should be for Council's to decide but within a national guidance framework.

Regarding Tier B applications, HIPP consider that strategic applications that are allocated in development plans are significant in scale and impact upon local communities and therefore such

applications should be considered and properly debated by planning committees. This allows communities to see decision making being undertaken in an open and transparent manner.

Overall, it is considered that limiting democracy and removing the democratic process through removing the right for members to call-in applications by restricting transparency in the decision-making process is worrying and we are not sure that this will do anything to increase the speed of housebuilding.

### **Size and Composition of committees**

HIPP have no observations to make on this proposal.

### **Mandatory training for planning committee members**

HIPP consider that there is a difference between galvanising and strengthening mandatory training and moving towards some form of certification of committee members potentially involving evening courses. There is no objection to the involvement of organisations such as the Planning Advisory Service in this process and many Councils already call upon their services in this regard.

However, any national testing and certification process for planning committee members will require considerable resourcing to avoid adversely affecting the membership and functioning of planning committees.

### **Threshold for Quality of Decision Making**

The consultation proposes that the threshold for quality of decision making is lowered from 10% to 5% for both major and non-major applications. HIPP disagrees with this proposal on the basis that if a Local Planning Authority doesn't deal with significant number of major applications, it only takes one or two applications for that threshold to be met and then the consequence is special measures. We don't think this proposed change to the threshold has been properly thought through especially in terms of resources for PINS to deal with applications as a consequence and the knock on impact for Local Planning Authority resources and budgets.

I hope that this response to the consultation is of use to shaping future proposals. Please do not hesitate to contact HIPP should you require any further information. The main officer contact for HIPP is Sara Saunders, Director for Place at East Herts. Please contact either Cllr. Allen via email at [daniel.allen@north-herts.gov.uk](mailto:daniel.allen@north-herts.gov.uk) or Sara Saunders at [sara.saunders@eastherts.gov.uk](mailto:sara.saunders@eastherts.gov.uk)

Yours sincerely

**Cllr Daniel Allen**

**Chair of HIPP**

## CABINET

23 SEPTEMBER 2025

### PART 1 – PUBLIC DOCUMENT

#### TITLE OF REPORT: CODICOTE NEIGHBOURHOOD PLAN – REFERENDUM

REPORT OF NIGEL SMITH, DIRECTOR – PLACE

EXECUTIVE MEMBER FOR PLACE: CLLR DONNA WRIGHT

COUNCIL PRIORITY: THRIVING COMMUNITIES / RESPONSIBLE GROWTH / SUSTAINABILITY

#### 1. EXECUTIVE SUMMARY

- 1.1 To consider the result of the referendum for the Codicote Neighbourhood Plan and to formally “make” the Neighbourhood Plan so that it becomes part of the statutory development plan for North Hertfordshire.

#### 2. RECOMMENDATIONS

- 2.1. That the result of the referendum for the Codicote Neighbourhood Plan should be noted.
- 2.2. That the Codicote Neighbourhood Plan 2024 – 2031 is “made” and becomes part of the statutory development plan for North Hertfordshire.

#### 3. REASONS FOR RECOMMENDATIONS

- 3.1. As reported to [Cabinet](#) in June 2025 (Minute 8), the Codicote Neighbourhood Plan has successfully been examined by an independent examiner and the subsequent referendum, held in August was successful, with more than 50% of those voting in favour of the Codicote Neighbourhood Plan.

#### 4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. Once a neighbourhood plan has been supported by a majority of those voting following a referendum, the Council has no other option than to “make” the neighbourhood plan under section 38A (A)(4) of the Planning and Compulsory Purchase Act 2004 unless the making of the Plan would breach, or otherwise be incompatible with any EU obligation or any of the Convention rights (within the meaning of the Human Rights Act 1998).
- 4.2. The Codicote Neighbourhood Plan 2024 - 2031, including its preparation, does not breach, and would not otherwise be incompatible with any EU obligation or any of the Convention rights. Therefore, the only available option open to the Council is to make the Neighbourhood Plan part of the Development Plan for North Hertfordshire.

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

- 5.1. The Codicote Neighbourhood Plan has been subject to public consultation with residents and key stakeholders throughout its preparation and was the subject of a public referendum. Members have been kept informed of the progress of this neighbourhood plan, either through the Strategic Planning reports or specific reports to Cabinet.

## **6. FORWARD PLAN**

- 6.1 This report contains a recommendation on a key Executive decision that was first notified to the public in the Forward Plan on the 25 July 2025.

## **7. BACKGROUND**

- 7.1. The Codicote Neighbourhood Plan 2024 – 2031 was submitted to the Council for examination in October 2024 and was subsequently publicised for public consultation between December 2024 and January 2025. An independent examiner, Andrew Mead was appointed by the Council in consultation with Codicote Parish Council to undertake an independent examination of the neighbourhood plan.
- 7.2. The examination of the neighbourhood plan took place between April and May 2025 and was conducted by written representations. The examiner's report was issued on 14 May 2025, with the recommendation *"I recommend that the Plan, once modified, proceeds to referendum on the basis that it has met all the relevant legal requirements."*

## **8. RELEVANT CONSIDERATIONS**

- 8.1. Cabinet noted the Examiner's report in June 2025 and approved that a referendum should take place for the Codicote Neighbourhood Plan (Minute 8).
- 8.2. The referendum took place on 15 August 2025. The residents of the Codicote neighbourhood planning area (which coincides with the Parish boundary) voted in favour of the neighbourhood plan. In total, 534 people voted "yes" and 57 people voted "no". There was one rejected ballot paper. The turnout was 20.63% of the electorate, with 90.2% of those voting, voting in favour of the Neighbourhood Plan.
- 8.3. Previously, neighbourhood plans have been "made" through a delegated decision by the Service Director in consultation with the Executive Member, but Codicote Parish includes two electoral wards and therefore the decision to "make" the Codicote Neighbourhood Plan must be made by Cabinet.
- 8.4. Once the Neighbourhood Plan is "made" it forms part of the statutory development plan when considering development proposals in the designated neighbourhood planning area of Codicote.

## **9. LEGAL IMPLICATIONS**

- 9.1. Under the Terms of Reference for Cabinet Paragraph 5.7.18 of the Constitution states that the Cabinet should exercise the Council's functions as Local Planning Authority except where functions are reserved by law to the responsibility of the Council or delegated to the Service Director: Place.

- 9.2. Section 38A(4)(a) of the Planning and Compulsory Purchase Act 2004 requires the Council to “make” the Neighbourhood Plan as soon as reasonably practicable if more than half of those voting in the referendum have voted in favour of the proposal. The Council is content that the Codicote Neighbourhood Plan meets the specified basic conditions, does not breach the European Convention on Human Rights and is not incompatible with EU obligations arising from the Habitats Regulations Assessments in accordance with the Conservation of Habitats and Species Regulations 2017 (as amended) and the Conservation of Offshore Marine Habitats and Species Regulations 2017 (as amended).
- 9.3. Sections 38A (9) and (10) of the Planning and Compulsory Purchase Act 2004 requires the Council to publicise their decision (the “decision statement”) and reason for the decision and details of where and when it can be inspected. A copy of the decision statement should be sent to the Parish Council (as the qualifying body that initiated the process) and to any person who asked to be notified of the decision.

## **10. FINANCIAL IMPLICATIONS**

- 10.1. There are no direct financial implications arising from the decision to “make” the Codicote Neighbourhood Plan 2024 – 2031 as part of the statutory development plan for North Hertfordshire.
- 10.2. Previously, up to March 2025, the Ministry of Housing, Communities and Local Government (MHCLG) allocated funding to assist local planning authorities funding to help meet the legislative requirements in relation to neighbourhood plans. Local authorities were eligible to apply for funding (£20,000) once a date had been set for a referendum.
- 10.3. MHCLG have withdrawn funding to support neighbourhood planning groups in the preparation of a neighbourhood plan and to date have not confirmed whether funding for local planning authorities will be made available for this financial year (2025/26). If MHCLG do make an announcement about funding for neighbourhood planning activities and the Codicote Neighbourhood Plan fulfils the criteria, Officers will make a claim.

## **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 pertinent risks associated with this report.

## **12. EQUALITIES IMPLICATIONS**

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.

- 12.2. There are not considered to be any direct equality issues arising from this report. Future individual schemes or considerations may well be subject to appropriate review to ensure they comply with latest equality legislative need. Any risks and opportunities identified will also be subject to assessment for impact on those that share a protected characteristic.

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

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

### **14. ENVIRONMENTAL IMPLICATIONS**

- 14.1. The Council, as “responsible authority”, determines if the neighbourhood plan is likely to have significant environmental effects. It was determined, in a [Screening Determination](#), dated October 2024 that the neighbourhood plan would not require a Strategic Environmental Assessment.

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

- 15.1 There are no implications arising from this report.

### **16. CONTACT OFFICERS**

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### **17. BACKGROUND PAPERS**

- 17.1 Cabinet reports:

[Codicote Neighbourhood Plan Area – June 24 2014](#) (Minute 17)  
[Codicote Neighbourhood Plan – November 19 2024](#) (Minute 65)  
[Codicote Neighbourhood Plan – 24 June 2025](#) (Minute 8)

- 17.2 The following background papers are all available on the following webpage: [Codicote Neighbourhood Plan](#)

- Codicote Neighbourhood Plan 2024 – 2031 Submission Version – October 2024
- Independent Examiner's Questions – March 2025
- District and Parish Council responses to the Examiner's Questions – March 2025
- Independent Examiner's Report for the Codicote Neighbourhood Plan – May 2025

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<b>Cabinet Report</b>
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<b>23<sup>rd</sup> September 2025</b>
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<b>*PART 1 – PUBLIC DOCUMENT</b>
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**TITLE OF REPORT: North Herts Economic Development Strategy 2025-2030**

REPORT OF: Director - Enterprise

EXECUTIVE MEMBER: Councillor Tamsin Thomas – Executive Member for Enterprise and Arts

COUNCIL PRIORITY: THRIVING COMMUNITIES / RESPONSIBLE GROWTH

**1. EXECUTIVE SUMMARY**

The purpose of this report is to present and seek approval of the new Economic Development strategy for North Herts for 2025-2030. The team have worked alongside consultants 'SQW Limited' to develop and write the strategy, to gather research, conduct in-depth analysis and provide expert advice on economic development within the district. This report sets out the key principles and action points of the strategy, supported by the strategy itself and evidence base documented in the Appendices of this report.

**2. RECOMMENDATIONS**

**It is recommended that Cabinet:**

Approve the adoption of the Economic Development Strategy 2025-2030.

**3. REASONS FOR RECOMMENDATIONS**

- 3.1. The previous Economic Development strategy was written and published in September 2015, based on historic evidence and has not been updated since. The economic landscape of both the political environment, district and wider UK has changed dramatically due to several varying factors, resulting in the strategy becoming outdated.
- 3.2. Therefore, to respond to these fundamental changes and environment, the team were tasked with analysing the district according to economic development and writing a new strategy that is aligned to the most recent Council priorities, and its long-term vision to benefit both businesses and the people who visit, work and live in the district.

**4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1. An alternative option would be to update the existing Economic Development Strategy from 2015. However, upon officer review, it was identified that the majority of the contents and evidence base was out of date or irrelevant and it would require significant adaptation to deliver the level of economic development required and outlined by Members and officers. Therefore, it was decided by officers and the Executive Member that an update would not be sufficient or drastic enough.

- 11.1. Another alternative would be to not update nor write a new strategy, meaning that Officers would be continuing to work to an outdated and not fit for purpose strategy - which presents a risk to the Council.

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

- 5.1. The Executive Member for Enterprise and Arts has been part of the strategy process and has had several meetings with the external consultant, as well as being regularly updated by the team. The team conducted an in-person workshop whereby all Members and Shadow Members were invited to attend and contribute towards the crafting of the strategy. The workshop guided Members through the findings from the evidence base, and the initial draft of the strategy - providing an opportunity for wider discussion about how the strategy should be shaped.

The strategy has since been sent to all Executives and Shadow Executive Members for review and comment, as well as the Senior Leadership Team whereby comments have been made and addressed within the latest version attached.

## **6. FORWARD PLAN**

- 6.1 This report does is in the Forward Plan as it contains a recommendation on a key Executive decision affecting one or more wards.

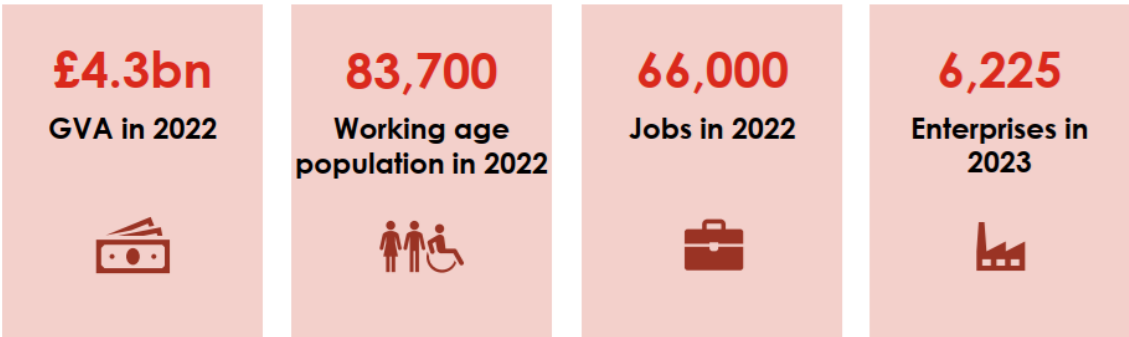
## **7. BACKGROUND**

- 7.1. The Economic Development team continue to deliver several important work streams outside of the current strategy, to benefit both the Council and its community. In more recent times, the team have prepared, managed and delivered the UK Shared Prosperity Fund since April 2022 which supports economic growth– directly benefitting the local community and its assets. The Fund provides additional support to improving town centres and green spaces, as well as helping businesses grow, innovate and helps to fund upskilling and employment support. Since 2022, the team have launched and delivered four funding rounds resulting in over £1 million pounds being put back into the local community. The team also work closely with the BIDs and other neighbouring organisations to deliver develop the North Herts economic development presence.
- 7.2. The requirement for a new economic development strategy has been under the Enterprise work programme since 2023, and its progress has been discussed at previous Overview & Scrutiny meetings as part of the Enterprise work programme update. There has been a delay in bringing the strategy to Members, due to a number of factors set out below; a) waiting for the refresh of the Hertfordshire wide economic development strategy to be published, to ensure that the Council findings/suggestions and action points were aligned b) a change in national government c) lack of resource and expertise reducing capacity to conduct an extensive evidence base, and to write the strategy itself d) a change in Council/ Member priorities and/or emphasis (when compared to other, larger projects within the department).
- 7.3. The Council is committed to developing an Action Plan to advance each of the five Action Areas outlined in the Strategy. The Action Plan will need to consider the resources (People and Financial) available, which will depend on future Council

decisions about overall funding and relative priorities.

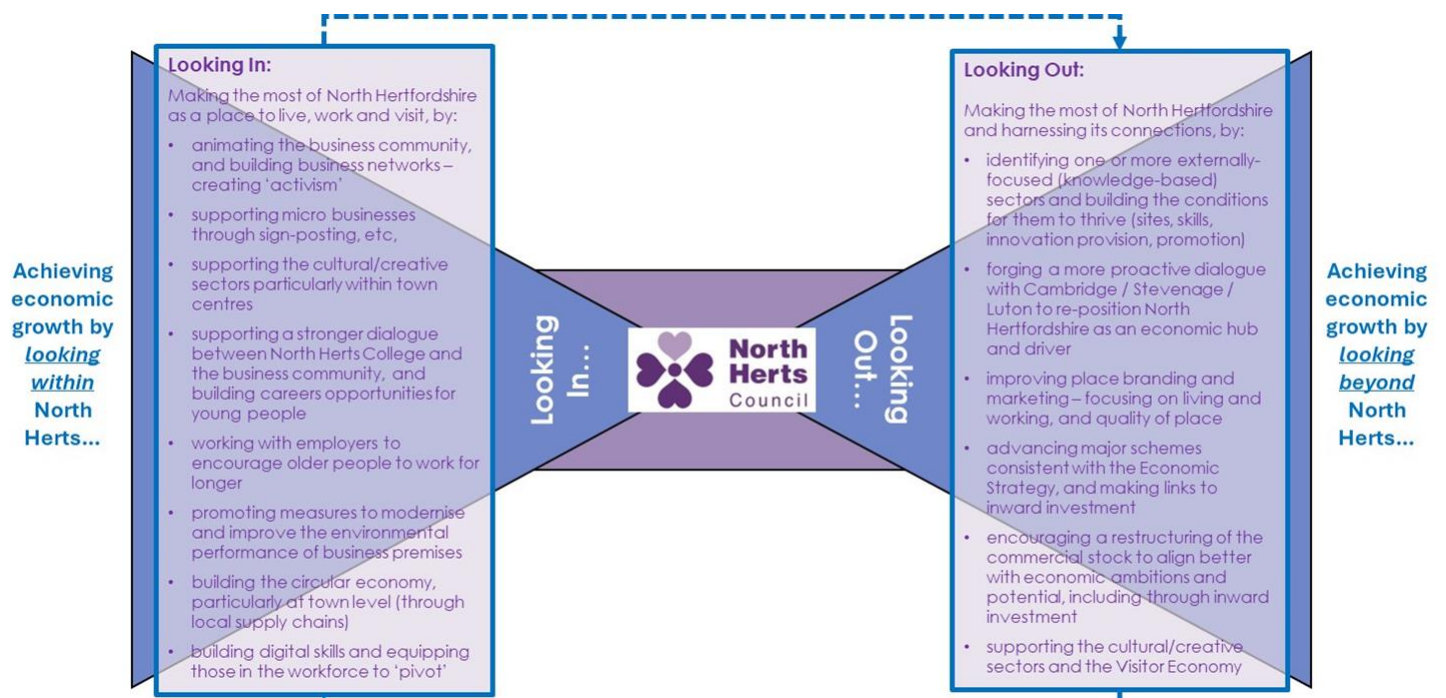
**8. RELEVANT CONSIDERATIONS**

- 8.1. The Council was working to an outdated Economic Development strategy that was published in 2015. This strategy was no longer fit for purpose and did not respond to the current economic environment (on a district, county and country level). Therefore, the Council committed to the creation of a new strategy that would be align with the Council’s economic aspirations, priorities and economic vision. Within the Council Plan (2024-2028), it sets out the importance of ‘Responsible Growth’. This demonstrates a clear commitment has been made to “support economic growth across the district”, and to “work closely with businesses and other partners to deliver on our key objectives”. Therefore, to respond to this a new strategy must be delivered.
- 8.2. Consultants ‘SQW Limited’ were appointed via a single-tender report to gather research, conduct in-depth analysis, run a stakeholder engagement exercise with local businesses (of all sizes and sectors), and provide expert advice on economic development within the district – to ultimately write the new five-year strategy and accompanying evidence base. SQW Limited had already written and delivered the Hertfordshire-wide economic development strategy for Hertfordshire Futures (previously known as the Local Enterprise Partnerships) and therefore were experienced and knowledgeable about the Hertfordshire economic position. This enhanced the ability to provide accurate data for the creation of the Council strategy.
- 8.3. The purpose of this Economic Strategy is to help navigate the journey, set out North Hertfordshire’s current ambitions, and equip North Hertfordshire – and its people, communities and businesses – to build a strong, resilient and sustainable local economy within this fast-evolving context. The strategy is supported by a comprehensive Evidence Base (found in Appendix B) which demonstrates the volume and detail of the due diligence gathered. The Evidence Base is an analysis that draws on secondary data, inclusive of stakeholder and business consultations, and is split into seven sections. The key figures for North Herts (from when the strategy analysis began) can be seen below:



8.4. The strategy document has been set out as follows:

- a) Understanding the economy of North Hertfordshire – this section focuses on the position of the district, delving into the opportunities and challenges that are presented according to connectivity and position.
- b) Economic performance of North Hertfordshire – focusing on jobs, employment, productivity, industries/sectors available within the area and affordability (mainly housing).
- c) Economic portraits of each North Hertfordshire town – an insight into the opportunities/challenges and points to consider for each town, with specific references to Local Plan provisions, redevelopment opportunities, partnerships and thriving, large employers.
- d) Opportunities and Challenges – focusing on the economic strengths such as a strong visitor economy, good connectivity/linkages, a diverse local economy etc (more can be found in the document).
- e) Wide drivers of change – this section looks more widely at varying factors happening on a county, country and worldwide basis and what this means for NH – such as artificial intelligence.
- f) The Strategy - Theme 1 'Looking in' and Theme 2 'Looking Out'. This provides the basis of the strategy itself, divided into two sections that seek to respond to the opportunities, challenges etc set out in the rest of the document. Theme 1 celebrates what the district has to offer and what it is doing well, however sets out what more could be achieved by *“strengthening economic linkages, building local multipliers, celebrating local enterprises and countering what many regard as fragmentation.”* Theme 2 emphasises the position of NH, and what this means for our relationship with the likes of Stevenage, Luton etc and how this can be enhanced on to create more opportunity. Please refer to figure 1 below for more detail (this can also be found in Appendix A).
- g) Actions Areas – as a result of the findings, stakeholder engagement and due diligence, the areas for NH to focus on are support for business and enterprise, people and skills, innovation and economic change, site and premises, investment, position and promotion. These actions areas will make up the Action Plan that will detail specific objectives for the team to carry out to deliver the strategy.
- h) Delivery and Implementation – this covers the actions points that will be addressed in the Action Plan, and how the two themes can be embedded into the delivery of this strategy.



Time Officer who is on a shared agreement set up with East Herts Council. SQW have provided a proposal for the ideal structure, that would enable the Council to fully deliver the strategy. Going forward, any request for increased resources would need to be considered by Council and would usually be part of the budget-setting process.

- 8.6. The overall aim of this Economic Development strategy is simply for North Hertfordshire to thrive – with greater economic resilience and well-being for people, communities and businesses across the district.

## 9. LEGAL IMPLICATIONS

- 9.1. There are no direct legal implications from this report in the adoption of the strategy, however it is noted that there may be investment in schemes and proposals that may arise from this Strategy. In supporting the local economy and businesses the Council should be mindful of any subsidy considerations that may be caught by the Subsidy Act 2022. These will be considered on a case-by-case basis.
- 9.2. The strategy highlights that whilst the governments Local Government Reform agenda means that the Council will not exist in its current form, the strategy is centred on the place as opposed to the Council.
- 9.3. Pursuant to paragraph 5.7.1 in Part 5 of the Council constitution.

The function of Cabinet is set down to:

To prepare and agree to implement policies and strategies other than those reserved to Council.

## **10. FINANCIAL IMPLICATIONS**

- 10.1. As highlighted in paragraph 8.5., the Action Plan will need to consider available resources. Full Council will need to consider any ongoing budget increases to deliver the strategy, which would usually form part of the budget setting process. There is high uncertainty over our future funding (we will be subject to a new funding formula from April 2026), and any growth may need to be prioritised against other services
- 10.2. Under the current funding system (and likely to form part of new funding proposals), the Council retain a small proportion of growth in Business Rates in the district. This is supposed to be periodically reset so that growth is only retained for a short period. Whilst the last reset was in 2013, it is expected that they will be more frequent in the future (e.g. every 3 years). Therefore, business growth can lead to additional funding for the Council, but it is uncertain, especially how long any growth funding would last for. We do not budget for growth in Business Rates.

## **11. RISK IMPLICATIONS**

- 11.2. 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.
- 11.3. Failure to approve a new Economic Development Strategy will mean that Officers continue to work with an outdated and not fit for purpose Strategy that is currently in place.
- 11.4. Approval and adoption of the Economic Development Strategy by the Cabinet may imply commitment by the Council to the funding of an Action Plan to ensure delivery of the Strategy. The approval for the allocation of adequate resource to deliver the Action Plan can only be made by Full Council using the normal budgetary Process.

## **12. EQUALITIES IMPLICATIONS**

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.

## **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. Increased economic activity in the district will have environmental impacts. The Action Plan must address the monitoring and mitigation of specific activities and address the opportunity to improve the environmental performance of local companies.

## **15. HUMAN RESOURCE IMPLICATIONS**

- 15.1 As stated in the main body of this report, there will be a requirement to have additional resource in the Economic Development department. The team is currently represented by 1x Part Time Economic Development Officer who is on a shared agreement with East Herts Council (time is split 50/50 between the two Councils). Whilst this post has been sufficient since 2015, there is a greater requirement and demand for more economic activity and presence (as demonstrated in the strategy) – and therefore this cannot be delivered by the existing limited resource.

## **16. APPENDICES**

- 16.1 Appendix A - North Hertfordshire Economic Development Strategy 2025-2030  
Appendix B – North Hertfordshire Economic Development Evidence Base.

## **17. CONTACT OFFICERS**

- 17.1 Chloe Gray, Enterprise Manager [chloe.gray@north-herts.gov.uk](mailto:chloe.gray@north-herts.gov.uk); ext 4223  
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## **18. BACKGROUND PAPERS**

- 18.1 North Hertfordshire District Council Economic Development Strategy – 2015  
North Herts Council Plan 2024-2028.

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# North Hertfordshire Economic Strategy, 2025-30

June 2025



**North  
Herts**  
Council



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## Preface

In late December 2024, the English Devolution White Paper was published. It signalled a restructuring of local government in two-tier areas like Hertfordshire. It means that over the 5-year timescale of this strategy, institutional structures are likely to change, and North Hertfordshire Council may cease to exist in its current form.

The Council itself has an important role in delivering this strategy, but not an exclusive one – and wider partners and stakeholders will be key to its delivery. The District Council will help to bring partners together, and it will work hard to ensure that the priorities outlined in this document are advanced.

The **North Hertfordshire Economic Strategy is fundamentally about the place – not the Council**. It should therefore have long term currency. It should inform future strategies at a range of spatial scales.

# 1. Introduction

This document sets out a new **Economic Strategy for North Hertfordshire** over the period to 2030.

The new **North Herts Council Plan 2024-28** sets out a vision (*‘working with you for a fairer, greener North Herts’*) and four priorities, one of which is Responsible Growth. Within this context, a clear commitment is made to “*support economic growth across the district*”, and also to “*work closely with businesses and other partners to deliver on our key objectives*”.

The new Economic Strategy has been developed by North Hertfordshire Council (NHC) in discussion with key partners, businesses and stakeholders from across North Hertfordshire, and with support from SQW.

The previous Economic Strategy for North Hertfordshire was published in 2015. **Much has changed over the last decade.** The UK has left the European Union and the global geopolitical situation has become more uncertain. The low interest rate environment that characterised the period after the Global Financial Crisis has ended. Digitisation has increasingly shaped how business is done and how people live, work and enjoy their leisure time – a long term transition

which was substantially accelerated by the pandemic, with major implications for processes of economic development in North Hertfordshire and more broadly. Awareness has also grown of the need to adapt to climate change, and to make progress towards (now legally binding) targets in respect of net zero carbon. NHC has declared a climate emergency.

Together, these – and other – changes are shaping the nature of North Hertfordshire’s economy (including in relation to its town centres).

Change is a constant. In economic terms, it is probable that North Hertfordshire will look different in the 2030s and 2040s. **The purpose of this Economic Strategy is to help navigate the journey, set out North Hertfordshire’s current ambitions, and equip North Hertfordshire – and its people, communities and businesses – to build a strong, resilient and sustainable local economy within this fast-evolving context.**

The strategy that follows is underpinned by a substantive Evidence Base (which is available separately). In delivery, it will be supported by a more detailed Action Plan, which will be led by the Economic Development team at the Council and updated annually.

## 2. Understanding the economy of North Hertfordshire

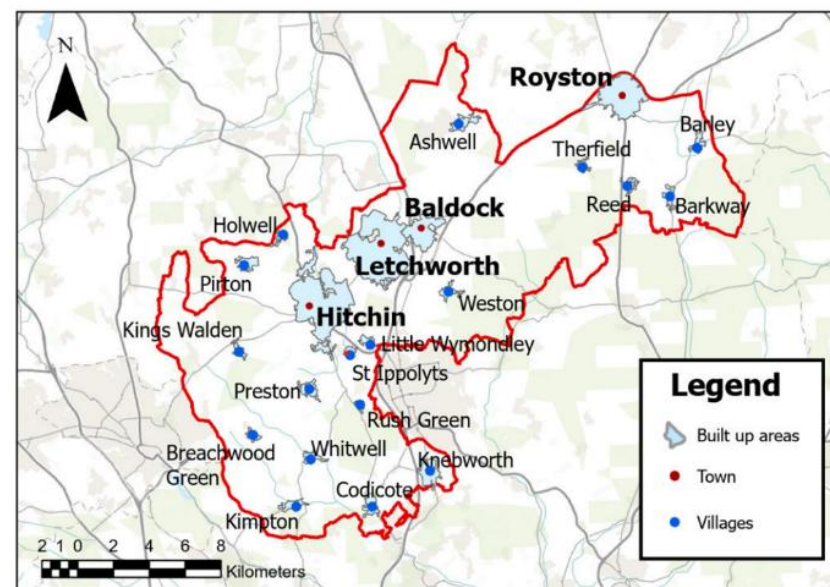
Within North Hertfordshire, there are currently about 6,225 enterprises and 66,000 jobs. The area generated gross value added (GVA)<sup>1</sup> of around £4.8bn in 2023 (in current prices)<sup>2</sup>.

### Understanding the place

As the map below shows, underpinning these headline metrics are four towns and a large number of villages within a district that is both predominantly rural and partially within the Metropolitan Green Belt.

In the north, **Royston** is a free-standing town. In the central part of the district, **Baldock**, **Hitchin** and **Letchworth Garden City** are located close to each other, although they are distinctively different settlements (as the economic portraits on page 7 (below) demonstrate). In addition, a significant share of North Hertfordshire's population lives in the **villages and countryside** around the towns. Some larger villages (e.g. Knebworth and Ashwell) are economic hubs; others struggle to maintain local facilities.

**Figure 2-1: Key settlements within North Hertfordshire**



Source: Produced by SQW. Contains OS data © Crown copyright and database right [2024], ONS (licensed under Open Government Licence v.3.0) and Esri data

However, North Hertfordshire also needs to be recognised as a strongly connected place. The close proximity of **Stevenage** and **Luton** present opportunities and challenges: both are growing quickly within tight boundaries, and this is generating some pressure

<sup>1</sup> GVA is a measure of the value of goods and services produced in an economy

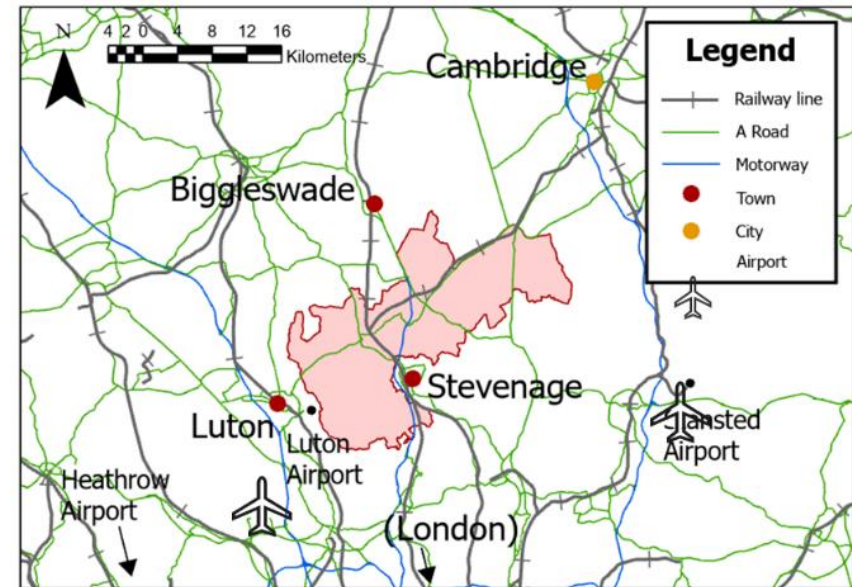
<sup>2</sup> Data are from ONS. Jobs data are for 2022 (accessed in 2024). Enterprise count data relate to 2024.

for the district, including in relation to housing delivery. There are strong links to **Central Bedfordshire** (which are evident through commuting flows in particular).

North Hertfordshire is also well located in relation to **London** and **Cambridge**, with good rail and road links to both, and strong ‘corridor’ possibilities linked especially to the **A1(M) and A505**, and to the **East Coast Mainline Railway** and the ‘Cambridge line’ (from Hitchin to Cambridge).

This spatial context – **looking both within the district and beyond it** – is critical in understanding how North Hertfordshire is performing as a local economy. It also defines some important opportunities in terms of how the district’s economy might change over the next decade (and beyond). It is therefore critical in relation to the Economic Strategy as a whole.

**Figure 2-2: Understanding North Hertfordshire’s broader location**



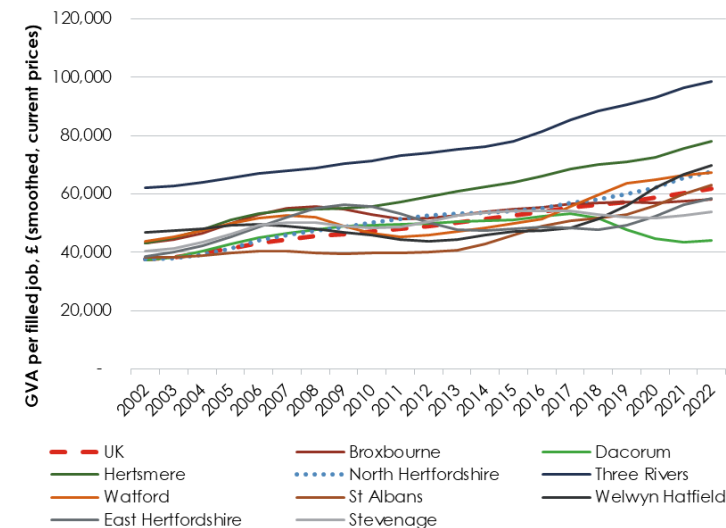
Source: Produced by SQW. Contains OS data © Crown copyright and database right [2024], ONS (licensed under Open Government Licence v.3.0) and Esri data

## Economic performance of North Hertfordshire

Over the last 20 years, North Hertfordshire has grown relatively slowly in economic terms. The **total number of jobs** increased by 12% between 2001 and 2022; this was half the rate seen across Hertfordshire as a whole. During the first half of this period, North Hertfordshire saw employment decline – and it was essentially this backdrop that framed both the current Economic Strategy and the current Local Plan. There then followed a period of more rapid jobs growth until the start of the pandemic. More recently, a return to slow rates of jobs growth has been evident.

In 2022, **productivity** (measured as the overall value of output per filled job) was £67.4k (in current prices) – close to the national average. Although below the highest performing areas in Hertfordshire, productivity growth rates have been close to the UK average over the last two decades, as the Figure 2-3 below shows.

**Figure 2-3: Productivity in North Hertfordshire and other districts in Hertfordshire and nationally**



(Source: ONS)

**In practice, North Hertfordshire has a mix of high and low productivity businesses and sectors.**

In terms of the former, it is home to some major research-intensive advanced manufacturing businesses. Overall, **manufacturing accounts for about 13% of employment in North Hertfordshire. This is double that found nationally and close to three times the county average.** It really is quite distinctive. Among the advanced manufacturing businesses, Johnson Matthey and Sartorius, both in Royston, are two important examples. Letchworth Garden City also has a concentration of manufacturing businesses and employment

(including, for example, Altro Whiterock, Aalberts Surface Technologies, Ogle Models and Prototypes). For some of these businesses, links to the Cambridge sub-region appear to be important.

Another sector in which North Hertfordshire has substantial employment relates to **accommodation and food services**. This reflects both major attractions (e.g. Knebworth House) and the changing nature of town centre employment. However whilst employment levels are high, productivity in the sector tends to be low.

North Hertfordshire has several **major head/regional offices** – for example, Willmott Dixon (construction) in Letchworth Garden City and Hitchin and LV= (financial services and insurance) in Hitchin. The presence of these companies owes much to North Hertfordshire's accessibility and connectivity, particularly to London.

At the same time, there is a **very high incidence of small firms** in the district. Overall, around 5,500 enterprises – just under 90% of the total – employ 0-9 people. There are also about 8,800 self-employed people in North Hertfordshire, about 10% of those in employment. These patterns are very similar to those observed across Hertfordshire as a whole.

**Workforce skills** in North Hertfordshire are good overall – certainly as measured through the proportion of the working age population qualified to degree level or above.

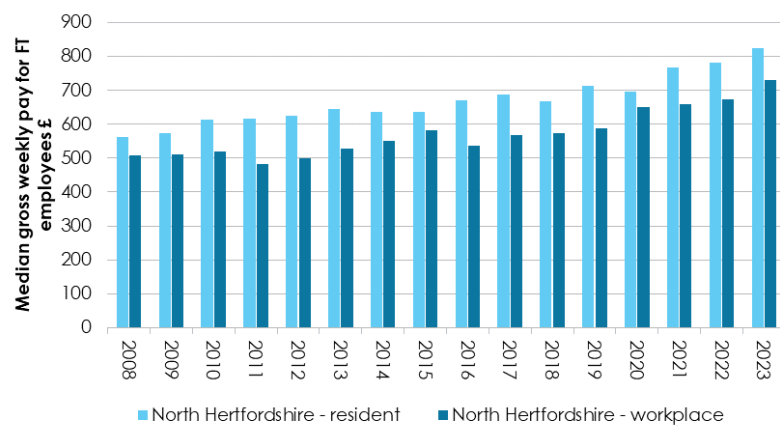
However the connectivity of North Hertfordshire means that many of those with the highest level of skills **commute** out of the area to work (whilst it is often the case that those with lower level skills commute in). The 2021 Census took place mid-pandemic and the recorded volume of commuting was substantially affected by lock down restrictions and guidance. Post-pandemic there is little to suggest that the patterns observed a decade earlier have materially changed. At the time, North Hertfordshire was characterised as a net exporter of labour, with an overall net outflow of 12,385 persons and approximately 22.9% of working residents commuting to Greater London<sup>3</sup>. Today, hybrid working is likely to feature much more strongly, but the links to Greater London – through both the labour market and the housing market – continue to be strong.

One consequence is that the **pay of employees** who live in North Hertfordshire is generally higher than that of those who work there – as Figure 2-4 shows. Between 2008 and 2022, the pay of full time employees who were resident in North Hertfordshire increased by 39% (in current prices); the pay of those who worked in the district increased by about 32%.

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<sup>3</sup> *Functional Economic Market Area Study*, Nathaniel Lichfield and Partners, 2015

**Figure 2-4: Median gross weekly pay**



*(Source: Annual Survey of Hours and Earnings)*

This has implications for the **affordability of housing**. Overall North Hertfordshire has become progressively less affordable than the national average – despite new housing developments.

## Economic portraits of North Hertfordshire's towns

### BALDOCK

Baldock is an historic market town, with a population of about 10,600 people (Census, 2021). It is very close to the A1(M) motorway and the A505 – and it also has good rail links.

Baldock has a range of town centre services within a small town centre which is very close to (in particular) Letchworth. In 2023, a major fire affected one of its principal industrial areas; and the Council is continuing to work with landowners to develop proposals for its redevelopment (for employment uses).

In the Local Plan, provision is made for major growth close to Baldock. This includes an allocation of employment land, alongside provision for some 3,000 homes, which could provide opportunities for the small town centre to develop and thrive. Hertfordshire County Council owns these sites. It is working with Urban & Civic to deliver the 'Growing Baldock' scheme.

### HITCHIN

Hitchin is a vibrant town – and it is the only one of the four towns in North Hertfordshire to be on the East Coast Mainline Railway (providing enhanced connectivity). It has a population of 35,200 people (Census, 2021).

It is one of three locations nationally for LV= and a key site for ReAssure (both financial services/insurance businesses). There is a suite of local service businesses too.

Willmott Dixon has a significant presence on Wilbury Way which – together with Burymead – is the focus of the town's key industrial areas.

There is a major redevelopment opportunity in the town centre. The Churchgate Regeneration Zone (CRZ) comprises the Churchgate Centre, Hitchin Market and various surface carparks. The future vision for the CRZ is likely to comprise a blend of options – reflecting in part the possibilities surrounding the area's heritage and riverfront – to create a resilient, vibrant and sustainable town centre. CRZ is a key project, both for Hitchin and for North Hertfordshire as a whole.

Hitchin has a well-established town centre Business Improvement District (BID), which is helping to reinforce its role as a visitor destination within North Hertfordshire.

## LETCHWORTH GARDEN CITY

Letchworth Garden City has a population of around 34,000 people (Census, 2021). Known around the world as the first garden city, it is quite different from North Hertfordshire's other towns.

The Heritage Foundation is a major owner of land and property, and there is a substantial stock of office and industrial premises – although the stock is dated. Levels of occupancy are higher for industrial than office premises, and there is vacant space above shops in the town centre, which should be better used.

There are some significant businesses in the town – in engineering and traditional manufacturing, but also medical technology and additive manufacturing, and there are some links to pharmaceuticals (services). Letchworth has a BID which, with the Heritage Foundation, has an important role in transforming the retail-based town centre into the 21<sup>st</sup> century hub of the town. Businesses in Letchworth include Kwik Fit's HQ, Benchmark Fabrications, Altro Whiterock, Aalberts Surface Technologies, Ogle Models and Prototypes.

There is an ongoing focus on the cultural and creative assets and foundations of Letchworth. There is also significant housing development.

## ROYSTON

Royston has a population of about 17,500 people (Census, 2021). It is located in the extreme north east of the district, on the edge of the Hertfordshire Chalk Downs. It is at the cross-roads between the A505 and the A10, and it has good rail connections.

Royston is home to some major knowledge-intensive employers – including Johnson Matthey, Mettler-Toledo and Sartorius. These are located within a substantial (and well-performing) industrial area on the northern side of the town, close to the Royston bypass. The wider Royston Gateway – already home to businesses like M&S, Aldi, Screwfix, Greggs, Costa Coffee, Toolstation, Jardine Motors, PA Consulting Group and Grant Instruments – is also being extended and there is scope for further potential expansion in due course.

Royston has a BID covering both the town centre and the Royston Gateway. This is active in promoting the town and it has support from the major businesses; improving connections between the Gateway area, the station and the town centre is a priority. The town centre needs to develop attractions which complement those of the Gateway in order to capitalise on the growth in the residential population and the growing attraction of the Gateway for work and shopping.

### 3. Opportunities and challenges

Overall, North Hertfordshire has some **major economic strengths and opportunities**. These have been identified by drawing both on economic data and also discussions with a sample of local businesses and stakeholders. They include:

- a **diverse local economy** which is shaped, fundamentally, by its connections to elsewhere – particularly to Cambridge and London.
- potential **opportunities (but also pressures) linked to investment in Stevenage and Luton** – both have seen significant change over recent years, and more is proposed/planned (e.g. around Luton Airport, and linked to GSK's site/Gunnels Wood Road in Stevenage).
- a suite of **knowledge intensive businesses** investing in the district, particularly in Royston – but a limited wider footprint (cluster) associated with them.
- **relatively strong workforce skills** among those resident within the district – although the flow of people (exporting well qualified people and importing lower level skills) is a factor (suggesting that more could be done to attract/generate businesses that might use the resident skills base).

- a predominantly **SME-based economy** – with enterprise and entrepreneurship, albeit of a diffuse and scattered form.
- a **strong visitor and leisure economy offer** – Hitchin town centre, Knebworth House, etc. – although more could be done to increase dwell time and spend (e.g. by promoting the district's wider leisure and hospitality offer).
- an **outstanding natural landscape** (including part of the Chilterns National Landscape) – which creates a great place to live and work – but also the constraints linked to Green Belt.
- exciting plans for the **future of Hitchin town centre/market** through the **Churchgate Development**.
- possibilities linked to **major growth at Baldock** – albeit without a clear economic vision currently.

However, as the evidence confirms, North Hertfordshire also faces some **challenges**. These include:

- a business base across the district that is widely regarded as **extremely fragmented and lacking in 'critical mass'**.

- **commuting distances may be increasing** (with hybrid working arrangements) – so local business embeddedness and commitment may be eroding.
- **major businesses which are quite ‘disconnected’** – ‘in’ rather than ‘of’ North Hertfordshire whilst benefiting from the location of North Hertfordshire (and the potential talent pool linked to London and Cambridge).
- the **vibrancy of both Stevenage and Luton which is causing competition for (and pressures on) North Hertfordshire**, as – in a different way – is Central Bedfordshire (where labour and land costs are generally lower).
- all the **town centres need to attract more customers to sustain local businesses** given changing shopping patterns and different patterns of living and working.
- Hitchin, Baldock and Letchworth Garden City are **in close proximity but fiercely independent** – considered together, their

visibility (and profile) in economic terms could increase, whilst recognising that each town has a distinctive offer.

- the district’s **commercial property stock** has weaknesses
  - there is **surplus office space** which is not well aligned with current demand
  - much of the **industrial stock** is of poor quality: it is providing low cost solutions for businesses that are failing to modernise (which may not be sustainable)
  - **lack of sites for inward investment and marketing purposes** is a challenge – and if there is demand, it is from logistics.
- there is currently a **lack of actively managed and ‘animated’ innovation provision and few ‘anchor’ points** to value-added local economic drivers.
- there are **substantial pressures on development land relating to housing provision**.

## 4. Wider drivers of change

Looking ahead, there are wider factors to consider – which take a particular form in North Hertfordshire.

Key issues which have informed this strategy include:

- **Automation and AI** – some key local sectors might be especially vulnerable to change (e.g. low value manufacturing/assembly), meaning that the resilience of North Hertfordshire's economy needs to be considered.
- **Ageing population** – North Hertfordshire has a relatively old population and there may be increasing pressures linked to service delivery within the district, and changing patterns of labour supply (as older workers choose to, or need to, work for longer).
- **Climate change** – North Hertfordshire District Council has declared a climate emergency: adaptation is urgent – but this requires investment.
- **Net zero carbon** – the rurality of North Herts presents immediate challenges, and the district is car-dependent locally; also, large parts of the commercial estate (especially in Letchworth Garden City) will struggle as expectations in relation to net zero carbon increase. Conversely, recent investment in Royston is a clear response to emerging opportunities linked to hydrogen fuels.
- **Geopolitical uncertainty** – the economic performance of North Hertfordshire relates in part to international markets (including via nearby Luton Airport) which brings some vulnerability. However, any re-commitment to re-shoring might benefit the district.
- **Changing nature of work** – North Hertfordshire's towns may be too small to be work hubs when the option to work from home/London is a strong one: innovative solutions will be needed (and there is some evidence that these are starting to emerge – e.g. hotdesking within cafés).
- **Mobility and Gen Z** – does North Hertfordshire offer rich experiences that might appeal to Gen Z (especially as they head towards their 30s)? Hitchin appears to do better than other areas in this regard, but throughout, there is a need to understand – and respond to – what Gen Z may be seeking, particularly as the population changes.

## 5. Strategy

The overall aim of this Economic Strategy is for **North Hertfordshire to thrive – with greater economic resilience and well-being for people, communities and businesses across the district.**

North Hertfordshire has assets and major opportunities, but also some vulnerabilities – and this Economic Strategy has been formulated in response.

Reflecting North Hertfordshire's distinctive character – both the towns, villages and countryside within it, and its wider connectivity and regional/national positioning – two main themes shape the Economic Strategy as a whole. Both are critical.

### Theme 1: 'Looking in'

North Hertfordshire has an outstanding natural environment and for many, it offers a good quality of life (although there are communities experiencing deprivation too, particularly in Letchworth Garden City). It has a sizeable business stock with high levels of business density. It has many micro enterprises, most of which will be locally focused. In relation to the Economic Strategy and across a predominantly rural district, these businesses – and the people who run them – are the lifeblood. They need to be encouraged to 'do business well' – and to invest and grow, including through local supply chains across the local economy.

Some of these businesses – especially those in the cultural and creative sectors – are likely to play a key role in relation to North Hertfordshire's town centres, which need to be an ongoing focus. In parallel, there is a need to recognise the importance of workforce skills within North Hertfordshire – and to encourage and equip more residents to work locally, and to do so for longer (as the population as a whole ages).

Putting these strands together, **much could be achieved by 'looking in', strengthening economic linkages, building local multipliers, celebrating local enterprises and countering what many regard as 'fragmentation'.** This might be advanced through greater networking and investment within the district and by supporting different aspects of local business growth.

### Theme 2: 'Looking out'

North Hertfordshire is well-connected to Stevenage and Luton, but also to Cambridge and London (by road (A505 and A1(M)) and rail), and into the Midlands. **This connectivity presents the district with substantial opportunities for transformational economic change – recognising that it is located in the midst of a key economic growth corridor, defined particularly around the A505.** Whilst growth needs to be done well, these connections could – and should

– be ‘worked’ to create a case for renewed investment and economic purpose within North Hertfordshire.

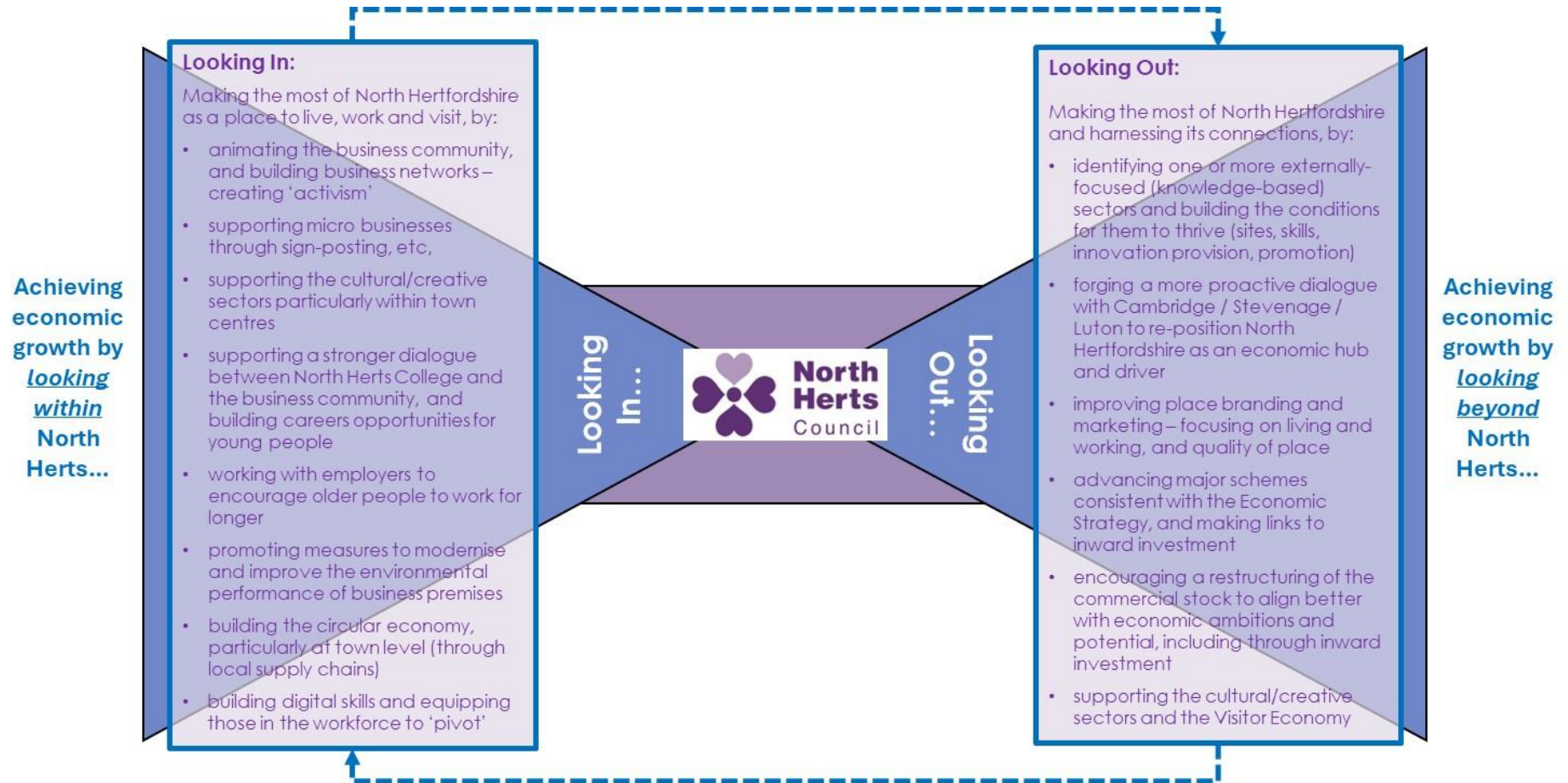
Potentially, this could be linked to some key sectors which are of national importance – perhaps most especially advanced manufacturing but also major business/financial services, construction and elements of the visitor economy. Particularly in these sectors, consideration should be given to the scope for inward investment – from elsewhere in the UK and internationally. Given its international significance, advanced manufacturing needs a canvas that is bigger than North Hertfordshire – but if the district’s asset base is aligned in response (including in relation to employment land and workforce development), much could be achieved.

## ...and the relationship between them

**In practice, the two Themes need to be advanced together.** North Hertfordshire will be a far more attractive choice for potential inward investors if its town centres are thriving and its cultural offer is strong. Equally, some of the physical challenges facing the district – especially in relation to commercial property and major development opportunities – are unlikely to make significant progress unless North Hertfordshire draws in investor interest from elsewhere.

**The two Themes should not therefore be seen as ‘competing’ – albeit they provide different vantage points and at times, there may be some tensions between them. They both need to be navigated effectively.** It is in this context that local leadership is extremely important. The role of NHC is critical – alongside other key partners and stakeholders (including, *inter alia*, North Herts College, Hertfordshire Futures, and Hertfordshire County Council).

Figure 5-1: 'Looking in' and 'Looking out': Key themes for North Hertfordshire's Economic Strategy



## 6. Action Areas

**In response to the two key strategic themes, five main ‘Action Areas’ are identified.** For the most part, these both ‘look out’ and ‘look in’, and they are defined to help NHC and its partners do likewise.

The Action Areas will be advanced through an Action Plan which is being developed by the Council.

### Support for business and enterprise

A first Action Area is concerned with support for business and enterprise. Given the sense of ‘fragmentation’ across the business community, this needs to be a priority. **Actions to animate the business community and build business networks will help in terms of creating critical mass and encouraging more businesses to feel part of a vibrant business community across North Hertfordshire.** This in turn will help to build confidence, precipitate knowledge exchange and innovation, and potentially help develop local supply chains. Often vibrant business networks can be a catalyst for would-be entrepreneurs taking the first step – and they are a key feature of dynamic local economies.

Micro businesses need to be better engaged through (formal and informal) networking. However, it is not just micro businesses that feel ‘disconnected’. Some of the larger firms appear currently to

have few local links and some recognise that this is a missed opportunity; they want, positively, to engage and to play a greater role within the local community.

Within this context, there may be particular opportunities in relation to **cultural and creative businesses in the town centres**. All North Hertfordshire’s town centres are continuing to adjust to major changes to the retail sector and to behaviours post-pandemic (particularly shopping and leisure habits); the cultural and creative sector has an increasingly important role in this context. Building on existing initiatives, there is scope to reposition town centres as hubs for the creative and cultural industries – a move that would generate both social and economic benefits.

The significance of the wider **Visitor Economy** should also be recognised and supported. Within North Hertfordshire there are important attractions (e.g. Knebworth House and Hitchin Lavender). The urban and rural landscape is also highly valued – including as a location for filming. Efforts should be made to increase the dwell time of visitors and increase resident participation in cultural, sporting and other recreational and leisure activities in the district.

In addition, particular regard will need to be given to North Hertfordshire’s **rural businesses** (both those in sectors which tend to be defined as rural (e.g. agriculture) and those that are simply

based in rural parts of the district). There is evidence that the sense of fragmentation may be extreme for rural businesses – and there is a need to recognise that these enterprises often play a key community role as well as generating jobs and economic output.

Finally, there is a need, through the Local Plan, Town Centre Strategies and other routes, to think again about **enterprise and innovation provision**. There is some in North Hertfordshire – particularly in Letchworth Garden City – but more could be done with this. ‘Designing in’ enterprise provision needs to be a key element of planned new mixed use developments across North Hertfordshire as well as a core part of the approach to town centre regeneration.

## People and skills

North Hertfordshire has well-qualified working age residents. However there is a mismatch between the skills and qualifications of residents and those who work in the district’s businesses. In practice, there are local opportunities for high value employment, but the links need to be made.

In response, **there is a need to support a strong ongoing dialogue between North Herts College, NHC and businesses (of all sizes), and to build careers opportunities for young people and older workers**. Both strands could potentially benefit local businesses very significantly.

In parallel, two further interventions are likely to be important across North Hertfordshire in respect of people and skills.

First, there is a need to **continue to invest in digital skills**. This is partly because digital skills are universally important, including within micro businesses. It is also because digital skills are likely to matter as businesses change and individuals face several career changes through a working life. Many of the jobs that will characterise the 2030s do not yet exist – in part as a consequence of AI and automation. Equipping businesses and people with the wherewithal to respond is therefore important.

Second, employers and individuals will need to think about **an older workforce**. Across Hertfordshire as a whole, the working age population (as currently defined) is forecast to decline and assumptions about retirement are changing, for a range of different reasons. Developing job opportunities that are appropriate for older workers is therefore important.

## Innovation and economic change

Particularly in advanced manufacturing, North Hertfordshire can already claim some of Hertfordshire’s (and the UK’s) leading businesses. There ought to be growth opportunities linked to these – especially given the district’s outstanding location and its connections both to Cambridge and London. **Steps need to be taken to get to know these businesses/sectors better and to help create local conditions in which they can thrive - whether through**

**investment in sites, innovation provision, supply chain initiatives or through novel approaches to workforce skills.**

Ventures of this type are ambitious at the scale of a single local authority district – but a well-functioning place itself does much to retain businesses, and to encourage them to invest. North Hertfordshire has both opportunities and responsibilities in this context. NHC will need to work with other partners and stakeholders – notably Hertfordshire Futures and University of Hertfordshire.

## Sites and premises

North Hertfordshire is facing some **challenges in relation to commercial land and premises, most especially in Letchworth Garden City**. The stock is sizeable (Icknield Way, Works Road, etc.), but there is a need to modernise and to improve the environmental performance of business premises. Currently there is more demand for industrial sites/premises than office buildings, but both need to be better aligned with the district's economic ambitions and potential.

Given its proximity to both Cambridge and London, the district's asset base ought to be valuable – albeit there is a long term programme to work through. The York Way industrial area in Royston is already home to some major advanced manufacturing and life sciences businesses and in developing it further, **every attempt should be made to forge wider and deeper links to the Cambridge Sub-Region**.

Beyond that, some specific – albeit long term – schemes will be important for North Hertfordshire over the next decade. These sit at the core of the Economic Strategy (in terms both of 'looking in' and 'looking out'):

- The **regeneration of Churchgate Shopping Centre area** (in Hitchin town centre) is a major project for NHC and for North Hertfordshire as a whole. The scheme is likely to involve many different elements including some residential development but also cultural and leisure-related amenities. Plans for Churchgate are still being formulated, but they will need to be seen as fully part of the Economic Strategy.
- The **regeneration of the town centre within Letchworth Garden City** – with a particular focus on arts, culture, heritage and creative activities – will be important for both the town and the wider district.
- Although a long term venture, the **major site at Baldock** is one of Hertfordshire's prime development opportunities. Potentially, the further expansion of **Royston Gateway** could be another.

These and other schemes should be advanced in a way that recognises North Hertfordshire's economic ambitions, particularly those linked with 'looking out'. In principle at least, the employment elements of these schemes could be aligned with the district's key sectors, positioning North Hertfordshire as a core location in relation to sectors identified by government in the Modern Industrial Strategy.

## Investment, positioning and promotion

The fifth Action Area is concerned with investment, positioning and promotion. North Hertfordshire has real assets and real economic strengths – including a highly skilled resident workforce and access to a wider specialist labour market; these need to be codified, positioned and promoted to external investors.

Several strands are likely to be important. The imperative will be to advance these as a core part of the wider Economic Strategy. In so doing there will again be a need to reflect on both the ‘Looking in’ and ‘Looking out’ themes:

- First, there is a need for a **more proactive dialogue with Cambridge, and also with Stevenage and Luton, to re-position North Hertfordshire as an economic hub and driver**. These relationships are not helped by administrative boundaries, but

the imperative will be to look beyond them and recognise the potential of the area as a whole.

- Second, whilst respecting the distinctiveness of the towns in North Hertfordshire, **a single economic vision for Hitchin, Baldock and Letchworth Garden City** could be enormously powerful. This would have scale. In combination the three towns have a population of about 80,000 people – and scale alone would create visibility and impact. The three towns are different and there ought to be clear and valuable synergies between them.
- Third, there is a need to emphasise again the **assets of North Hertfordshire in terms of its quality of place**. It benefits from beautiful countryside alongside great connectivity – and together, these should set it apart. In so doing, it will be important to build on the existing ‘Place Narrative’ already established by NHC.

## 7. Delivery and implementation

NHC is committed to developing an Action Plan to advance each of the five Action Areas.

The Action Plan will be underpinned by:

- A commitment to **greater resourcing of economic development functions within NHC**, particularly in terms of animating the interface with the business community.
- A commitment to **working closely with other functions across NHC** so that actions are aligned with the ambitions set out in this Economic Strategy, the Local Plan, the Town Centre Strategies and other corporate documents.
- A commitment to **stronger and more consistent partnership working** (recognising that this itself needs to be resourced) with

the business community, key partners and stakeholders. These are likely to include Hertfordshire Futures, BID Managers, North Herts College, Hertfordshire Chamber of Commerce, Visit Herts, University of Hertfordshire and local business groups, as well as neighbouring district and borough councils (including those outside Hertfordshire) and Hertfordshire County Council.

- A commitment to **developing targeted project concepts and business cases**, so that they are well researched and evidenced, ‘ready to go’ when appropriate bidding opportunities arise.

Throughout, the commitment will be both to ‘look in’ and ‘look out’ – galvanising North Hertfordshire’s assets and opportunities and ensuring that they continue to work effectively for current and future generations of people, communities and businesses across North Hertfordshire.



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**SQW**

# North Hertfordshire Economic Development Strategy

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**Evidence Report**

**November 2024 (updated June 2025)**



# Overview

**This Evidence Report accompanies North Hertfordshire District Council's (NHDC) new Economic Strategy and Action Plan.**

Page 182 It summarises the evidence that underpins the district's new Economic Development Strategy.

The analysis draws on secondary data (mainly from ONS datasets). It also relies on feedback from stakeholder and business consultations that were completed in spring/summer 2024.

The Evidence Report is divided into seven main sections.

- **Section 1:** Local and national policy context
- **Section 2:** North Hertfordshire in its spatial context
- **Section 3:** Understanding North Hertfordshire's workplace economy
- **Section 4:** Understanding North Hertfordshire's residence-based economy
- **Section 5:** Understanding spatial variation within North Hertfordshire
- **Section 6:** Economic forecasts
- **Section 7:** Summary assessment of strengths, weaknesses, opportunities and threats

# Key figures for North Hertfordshire

**£4.3bn**

**GVA in 2022**



**83,700**

**Working age  
population in 2022**



**66,000**

**Jobs in 2022**



**6,225**

**Enterprises in  
2023**



# 1: Local and national policy context

# Local and county policy context

The policy context for North Hertfordshire's new Economic Development Strategy needs to be understood at local, regional/county and national levels.

Locally, it is framed by NHDC's own policy statements. These include the *North Herts Council Plan (2024-28)*. This provides a clear commitment to the local economy; Responsible Growth is one of its four main priorities.

The *Local Plan, 2011-2031* was adopted in 2022. It is currently being reviewed. A timetable for review is set out in the Local Development Scheme on the Council's website.

At a county level, Hertfordshire Futures is a new

organisation (formed following the LEP transition). It is in the process of developing a new economic strategy. The last Strategic Economic Plan was finalised in 2017 and it emphasised the scope for Hertfordshire to develop its knowledge economy, recognising particularly the significance of three growth corridors (one of which, A1(m), is highly relevant to North Hertfordshire).

# North Herts Council Plan

*The Council Plan is a high-level strategic document which sets out NHDC’s key priorities and themes for the period 2024 to 2028. Within an overall vision – working with you for a fairer, greener North Herts – four main priorities are identified:*

Working <b>with you</b> for a fairer, greener North Herts			
			
 Thriving Communities	 Accessible Services	 Responsible Growth	 Sustainability
<ul style="list-style-type: none"><li>• Focus on our Community Safety priorities: Anti-social behaviour, violence against women &amp; girls and environmental crime (such as fly-tipping).</li><li>• Continue to allocate grant funding to local groups who provide vital services and activities which enable our communities to thrive.</li><li>• Work with our partners to deliver projects which reduce health inequalities.</li></ul>	<ul style="list-style-type: none"><li>• Implement the Waste collection, Recycling and Street Cleansing contract in 2025 providing greater recycling opportunities.</li><li>• Improve your experience with us through better online services and a simpler customer experience.</li><li>• Work with Everyone Active to improve our leisure centres and make physical activity accessible to more people.</li></ul>	<ul style="list-style-type: none"><li>• Continue to implement our 2011-2031 Local Plan which will create much-needed homes for our district.</li><li>• Engage with you on the best option for regenerating the Churchgate shopping area of Hitchin.</li><li>• Work with the Herts Business Support and Skills programmes to increase activities available for North Herts businesses and residents.</li></ul>	<ul style="list-style-type: none"><li>• Develop a Sustainability Strategy setting out our approach to reducing carbon emissions, adapting to Climate Change and improving nature.</li><li>• Continue to work with partners to help North Herts become a net zero district.</li><li>• Continue to look for grants and income generation opportunities to support our priorities and help us return a balanced budget.</li></ul>

# North Hertfordshire Local Plan

*The current Local Plan relates to the period 2011 to 2031. It was adopted in 2022. Note that it is currently being reviewed. A timetable for the review is set out in the Local Development Scheme on the Council's website.*



The current Local Plan (2011-2031) outlines strategic policies and development management policies:

- A spatial strategy
- Sustainable development
- The economy and town centres
- Countryside and the green belt
- Transport and infrastructure
- Strategic housing sites
- Design
- Healthy communities
- The natural and historic environment.

# Hertfordshire LEP Strategic Economic Plan

*The SEP was refreshed 2017 and covers the period 2017 to 2030. A Local Industrial Strategy was under development pre-pandemic. A new Hertfordshire-wide Economic Strategy is currently being prepared under the auspices of Hertfordshire Futures.*

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## **Perfectly Placed for Business:**

The refreshed Strategic Economic Plan: 2017–2030  
July 2017

Hertfordshire  
Local Enterprise Partnership  
PERFECTLY PLACED FOR BUSINESS

### **Vision:**

By 2030, Hertfordshire should be recognised as the **functional core of the UK's Golden Triangle**

**Priority 1:** Maintaining global excellence in science and technology...

...particularly in life sciences, advanced engineering/manufacturing, agri-science/agri-tech, sustainable construction and the creative industries

**Priority 2:** Harnessing Hertfordshire's relationship with London and elsewhere...

...with a focus on three growth corridors (including the A1(M) corridor, which bisects North Hertfordshire

**Priority 3:** Reinvigorating Hertfordshire's places for the 21<sup>st</sup> century...

...including discussion of a need for progress towards an overarching economic vision for Hertfordshire

**Priority 4:** 'Foundations for growth'

...with a focus on addressing skills challenges of the workplace population in Hertfordshire

# National policy context

**With the election of a new Labour government in July 2024, the national policy context is still evolving.**

Five main 'missions' have been emphasised. One of the five is to 'kickstart economic growth'.

The government has announced a major focus on housing growth, including through changes to the planning system (with new mandatory targets for councils), a review of the green belt and a commitment to build 1.5 million new homes over the next parliament. Potentially, a new generation of New Towns may have a role to play.

The government has also published a Modern Industrial Strategy. It has a focus on sectors and clusters (the IS-8), some of which are highly relevant to North Hertfordshire (most notably advanced manufacturing).

Cutting across all of this is a commitment to wider and deeper devolution. The Devolution White Paper was published in late 2024.

Other 'missions' that could have an important bearing locally are: 'make Britain a clean energy superpower' and 'break down barriers to opportunity'.

## 2: North Hertfordshire in its wider spatial context

# North Hertfordshire's strategic location

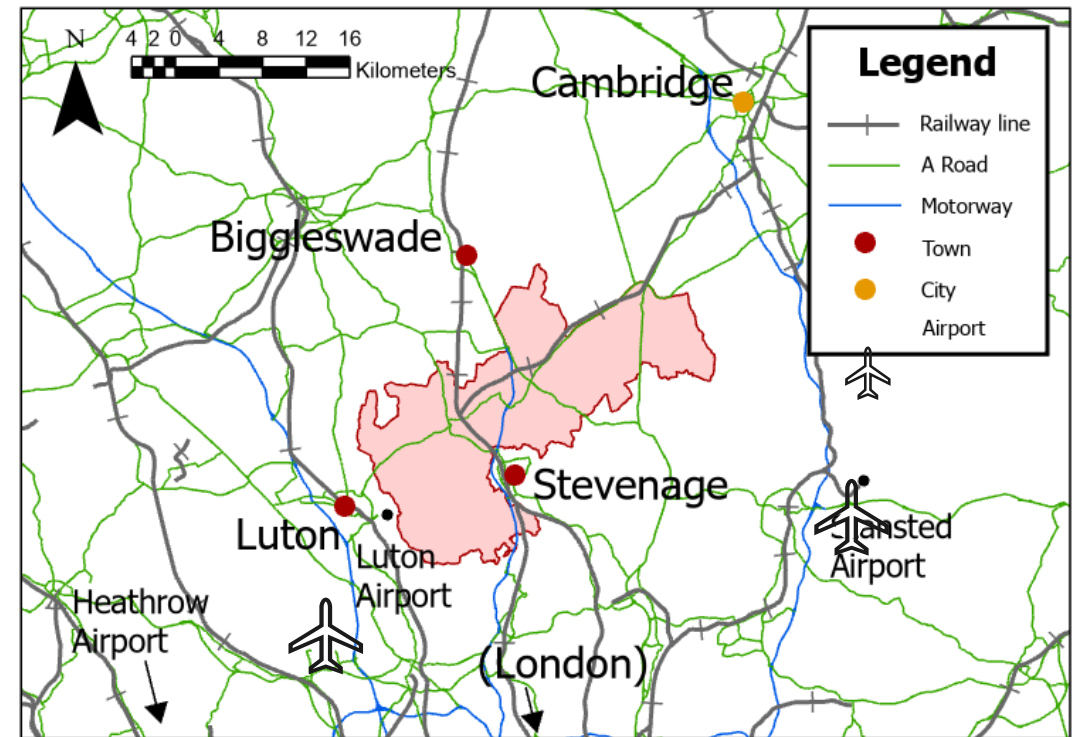
North Hertfordshire is well located in relation to **London** and **Cambridge**, with good rail and road links to both, and strong 'corridor' possibilities linked especially to the **A1(m)** and **A505** trunk roads.

For North Hertfordshire, the close proximity of **Stevenage** and **Luton** present opportunities and challenges: both are growing quickly within tight boundaries, and this is generating some pressure for the district.

There are strong links to **Central Bedfordshire** (which are evident through commuting flows in particular).

North Hertfordshire is well served by key infrastructure: **Luton Airport** borders North Hertfordshire, and **Stansted Airport** and **Heathrow Airport** are nearby.

North Hertfordshire has strong links – of many forms – to **London** (commuting, migration, supply chains, etc.).



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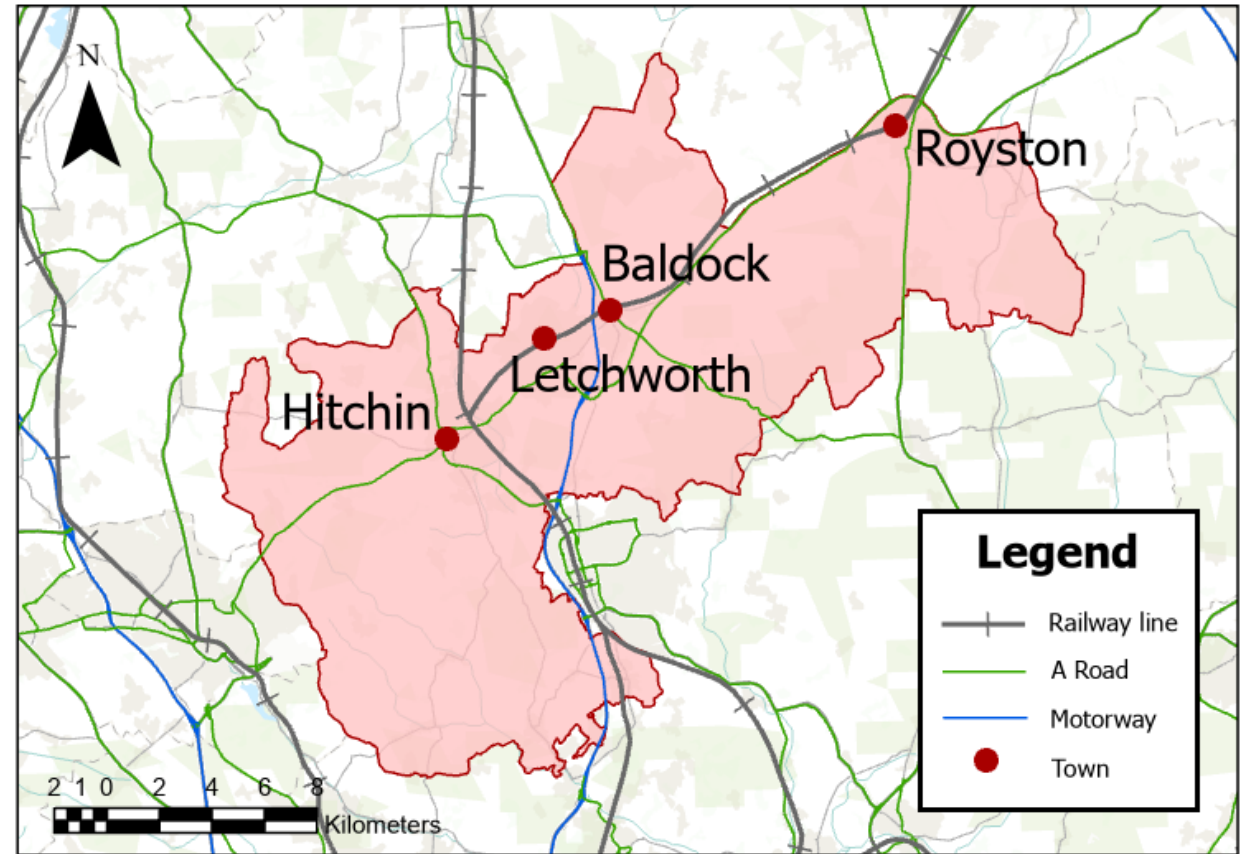
# North Hertfordshire's towns – and its rural areas

In the north of the district, **Royston** is a free-standing town with strong functional links to Cambridge (and South Cambridgeshire).

In the central part of the district, **Baldock**, **Hitchin** and **Letchworth Garden City** are located close to each other.

*The economic characteristics of each of these towns is considered in detail in Section 5.*

In addition, much of North Hertfordshire is rural, and some of it is within the Metropolitan Green Belt. Parts of the district are within the Chilterns National Landscape.



Source: Produced by SQW. Contains OS data © Crown copyright and database right [2024], ONS (licensed under Open Government Licence v.3.0) and Esri data

# Perspectives on North Hertfordshire – from its businesses

“ **Logistics company:** *It's a good location because of the road network with it being so close to the A1 and simple to get across to the M1 as well. The rates in North Hertfordshire are better than going further south to Stevenage and so forth, where it's really expensive. [...] [We set up here] because there was a facility available at the time, but there's not many sites. There's no sites in North Hertfordshire that could accommodate us other than this one.*

“ **Marketing company:** *I lived in [a North Hertfordshire village] already, so it was a natural thing to set up my business here and work from home. [...] But even with working remotely, I'm very well serviced by Luton, Harpenden, Knebworth, Stevenage and Hitchin. There are five train stations all within a 15-minute drive that mean I could go up north or to London. So even though I work from home, I'm very well serviced from a train network perspective and a motorway perspective.*

“ **Not for profit:** *One of the things that we love about being in North Hertfordshire, and particularly being in Letchworth, is that we really do value green space and we often take our participants and coaches for outdoor coaching. So we always put a lot of consideration into space and place. That's really important to us. And we have in the past taken individuals and groups to places like Norton Common and the Sadie Centre, where you've got lots of outdoor paths and green spaces.*

# Economic flows (1/2)...

North Hertfordshire's location and connectivity translates into economic flows – which are a critical part of the local economy.

**Census 2021** provides an indication of patterns of commuting (albeit the volume of commuting flows was substantially affected by lock down guidance during the pandemic).

Excluding both those working at home and those living and working in North Hertfordshire, the data opposite show which places had the strongest connections to the district through commuting in 2021.

**Broadly, flows into North Hertfordshire are mostly from the north. Flows out of the district tend to be to the south.**

**In-commuters** to workplaces in North Hertfordshire were most likely to live in:

- *Central Bedfordshire (4,567 persons); Stevenage (2,899); South Cambridgeshire (1,251); Luton (1,222); and East Hertfordshire (726)*

**Out-commuters** from North Hertfordshire were most likely to work in:

- *Stevenage (3,841 persons); Welwyn Hatfield (1,777); South Cambridgeshire (1,308); Central Bedfordshire (1,216); and St Albans (895)*

## Economic flows (2/2)...

The 2021 Census was pandemic-affected, so it is helpful to consider the patterns reported a decade earlier, at the time of the **2011 Census**.

Data from Census 2011 were examined in detail in a *Functional Economic Market Area Study* for Stevenage, North Hertfordshire and Bedfordshire which was completed by Nathaniel Lichfield and Partners in 2015. This formed part of the evidence base for the current Local Plan.

The study found that at the time of the 2011 Census:

- 62.2% of North Hertfordshire's employed residents commuted outside the district for work
- the outflow from North Hertfordshire equated

to 32,650 workers, with the largest flows being to Stevenage (19.4%), Welwyn Hatfield (12.0%), and Westminster (8.6%)

- the total proportion of working residents commuting from North Hertfordshire to Greater London equated to approximately 22.9%
- approximately 20,270 workers travelled into North Hertfordshire for work, mainly from Central Bedfordshire (28.2%), Stevenage (18.2%) and South Cambridgeshire (8.9%).

North Hertfordshire was – and is – characterised as a **net exporter of labour** with an overall net outflow of 12,385 persons in 2011.

## ...and the implications

Because of commuting, there are differences between what the working residents of North Hertfordshire earn, and the wages/earnings of those who work in the district (who may live elsewhere).

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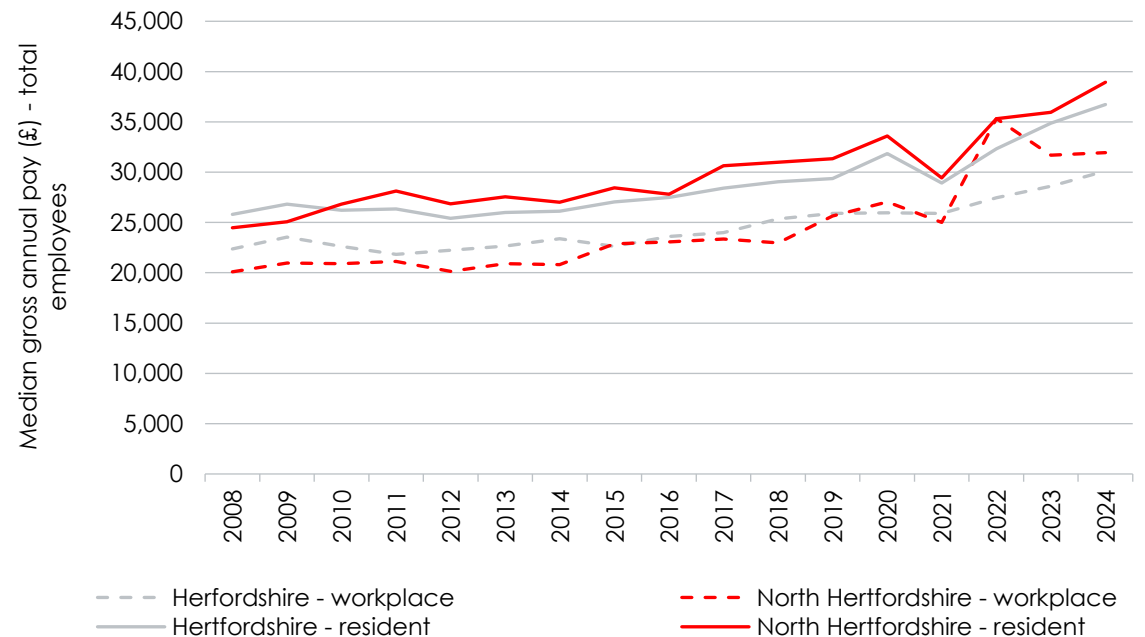
In general terms, **people who work in North Hertfordshire earn less than those residents who commute out of the district for employment.**

This pattern is seen across Hertfordshire, but the pattern in North Hertfordshire is generally more extreme as the chart opposite shows.

In part, this is the consequence of London-bound commuting – but that is not the only factor.

It can mean that those who work locally cannot afford to live in the area – with implications for the housing market.

### Workplace-based and resident-based gross annual pay in North Hertfordshire and Hertfordshire (all employees, median)



Source: SQW analysis of ONS, Annual Survey of Hours and Earnings

# 3: Workplace economy

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# Gross Value Added (GVA)

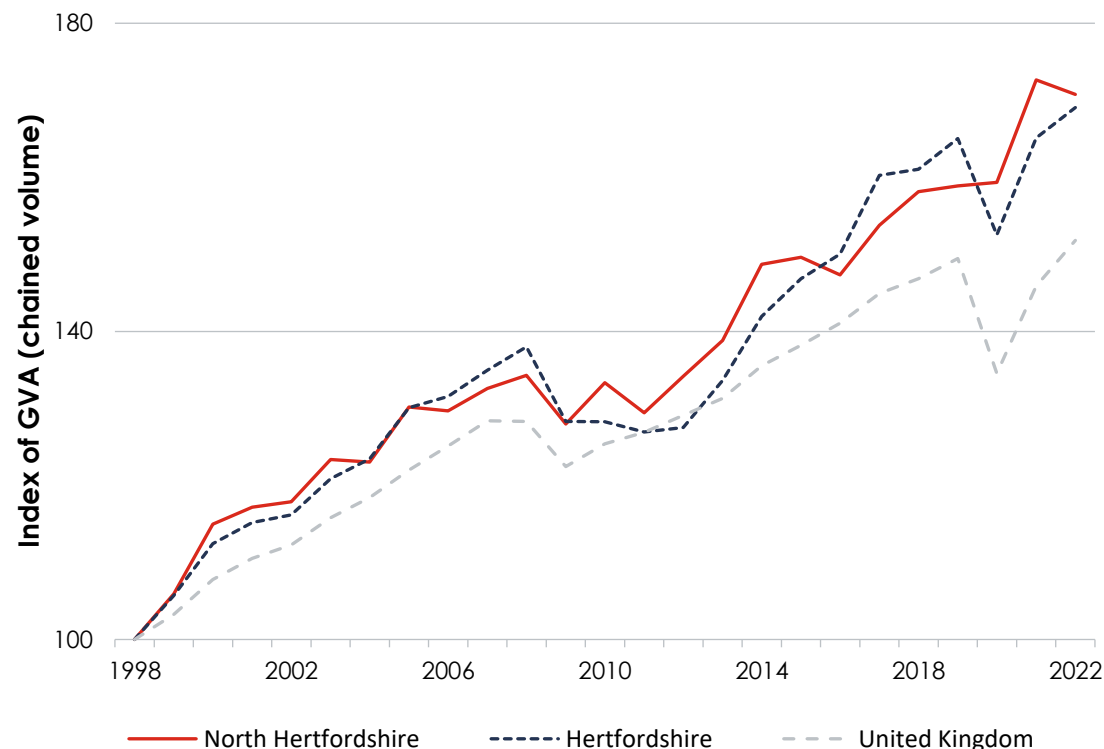
In 2022, North Hertfordshire's GVA was £4.3bn. This was about 9% of Hertfordshire's total GVA.

In line with the county-wide picture, North Hertfordshire has seen **faster growth in GVA than the UK average** since the late 1990s.

The data suggest that North Hertfordshire saw a **35% increase in GVA between 2016 and 2022** (N.B. in current prices). This increase was greater than in Hertfordshire (30%) and the wider UK (27%).

There are issues surrounding data robustness at a local level – so these observations need further testing, and they should be considered alongside other evidence.

Index of GVA, real terms, index: 1998 = 100



Source: SQW analysis of ONS, regional accounts. Released April 2024

# GVA by LSOA

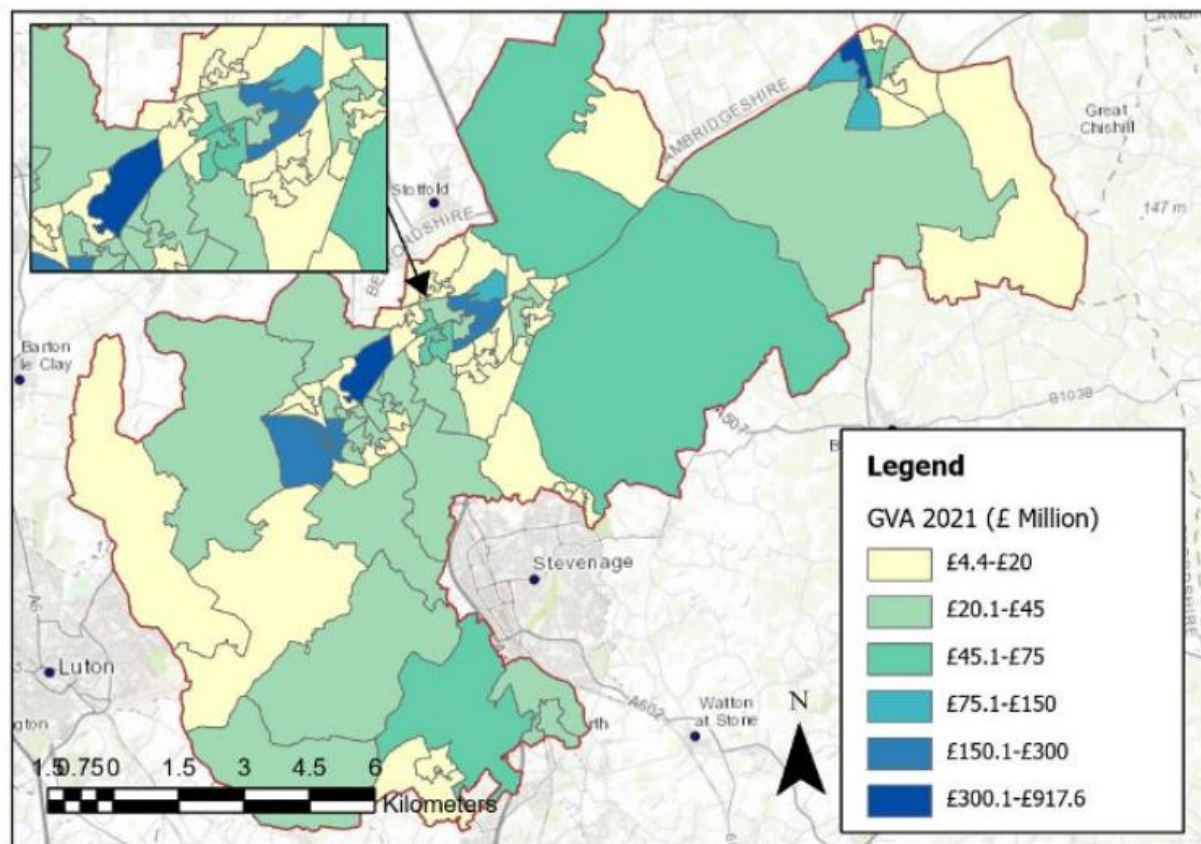
Economic output is generated across North Hertfordshire, but there is substantial variation at a local level.

The LSOAs that generate the greatest GVA are within Hitchin, Letchworth, and Royston. They map onto the principal industrial areas.

The area around Wilbury Way Industrial Estate, in the north of Hitchin, is one of the highest GVA areas in North Hertfordshire.

The predominantly rural areas on the edge of Luton and Stevenage, and in the north east of the district, generate relatively little economic output. This is unsurprising – but it points to the contrasts that exist within the district.

Gross Value Added by LSOA in 2021 (£ Million)



Source: Produced by SQW. Contains OS data © Crown copyright and database right [2024], ONS (licensed under Open Government Licence v.3.0) and Esri data

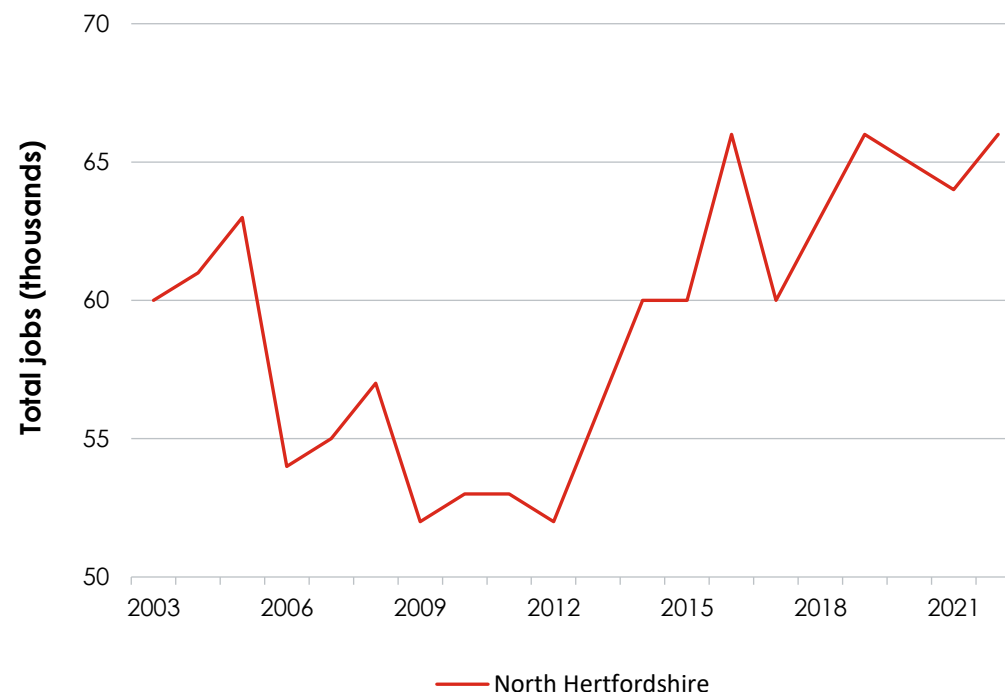
# Total jobs (1/2)

**In 2022, there were 66,000 jobs in North Hertfordshire (including employee and self-employment jobs).**

The time series data in the chart opposite suggest three broad 'phases' in relation to the district's employment narrative over the last two decades:

- the period to about 2012 saw employment decline in North Hertfordshire, in absolute terms; this picture was captured in much of the evidence base underpinning the current Local Plan
- from 2012 to about 2016, there was relatively rapid jobs growth
- subsequently, there has been year-on-year volatility (some covid-related) but limited growth overall.

Total Jobs in North Hertfordshire



Source: SQW analysis of ONS, Jobs count. Released February 2024

## Total jobs (2/2)

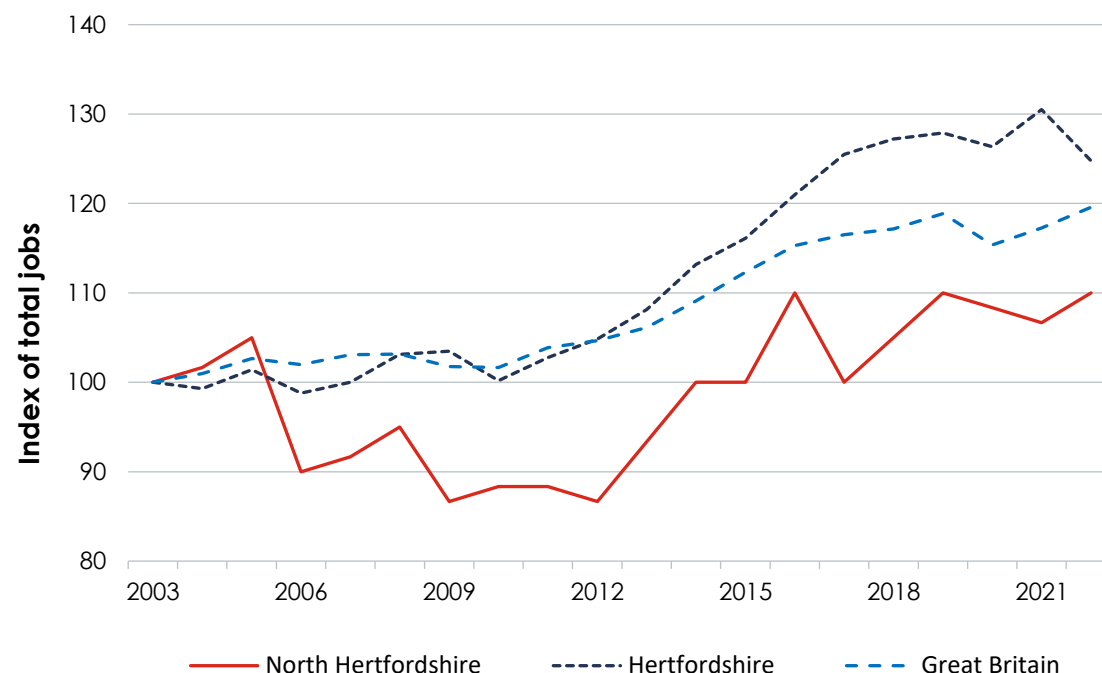
This picture is similar to, but more exaggerated than, that across Hertfordshire as a whole and nationally.

Overall, the number of jobs in North Hertfordshire increased by 12% over the period 2001-22.

This was around half of the overall increase seen county-side (24%) and it was also lower than the growth seen nationally.

This indicates that **over the previous two decades, North Hertfordshire has seen substantially slower jobs growth than other parts of Hertfordshire.**

Index of total jobs, 2001-2022 (2001=100)



Source: SQW analysis of ONS, Jobs count. Released February 2024

# Productivity (1/2)

**Productivity is, in many respects, the key indicator in relation to economic performance.**

It relates to the efficiency of an economy – literally the value of output per unit of input (typically GVA per job or GVA per hour worked). Ultimately it relates directly to living standards.

The charts on the next slide are important for North Hertfordshire.

Overall:

- North Hertfordshire appears to have seen steady productivity growth (on two different measures)
- by the end of the time series, the level of productivity in North Hertfordshire was higher

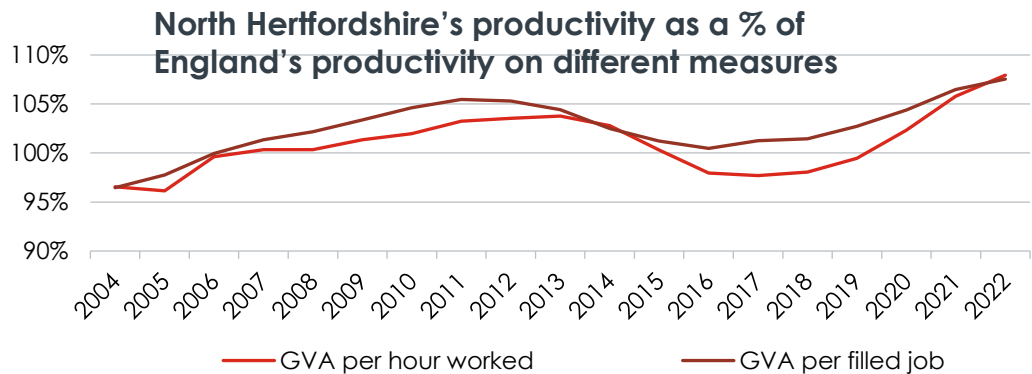
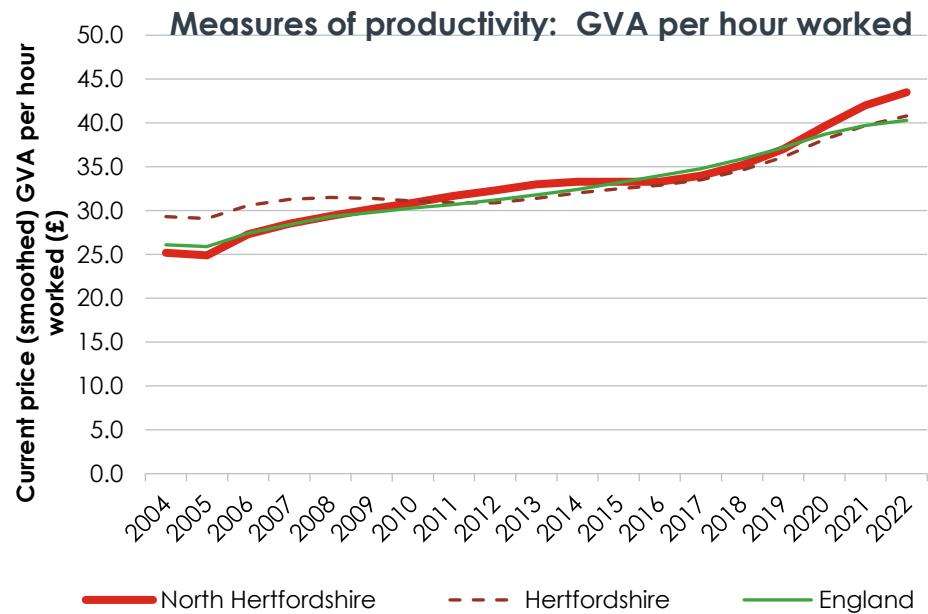
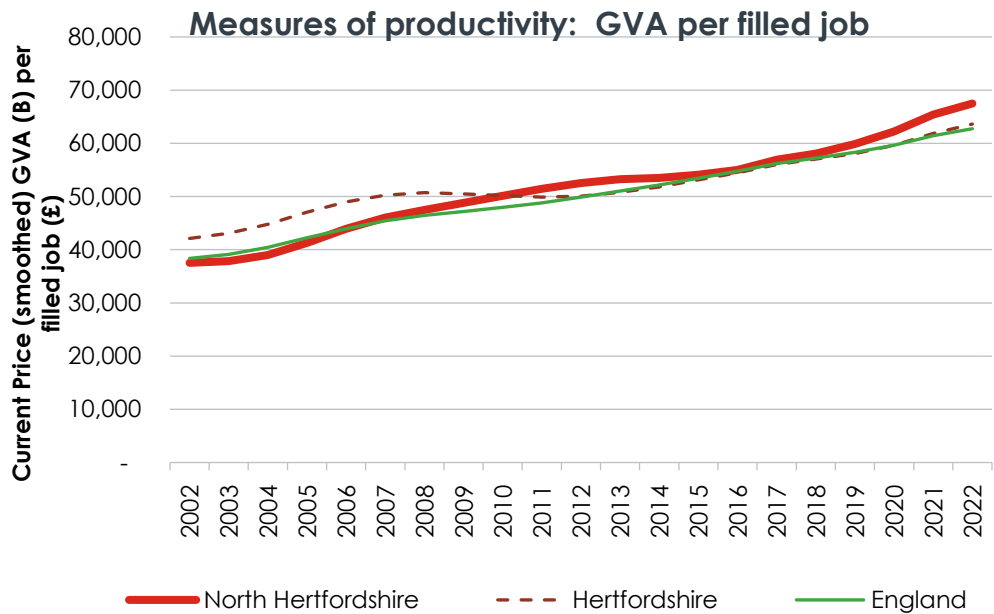
than for both Hertfordshire and England

- relative to England, over the last 20 years, there have been periods when productivity in North Hertfordshire has been above the average; but there have also been periods when it has been below
- relative to England, North Hertfordshire has generally performed better on GVA per filled job than GVA per hour worked.

There are many different factors that together help to explain productivity performance – workforce skills is a key one, business demography is another and sectoral structure also has an influence. The Economic Strategy will need to address these (and other) elements.

# Productivity (2/2)

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Source: ONS sub-national productivity estimates

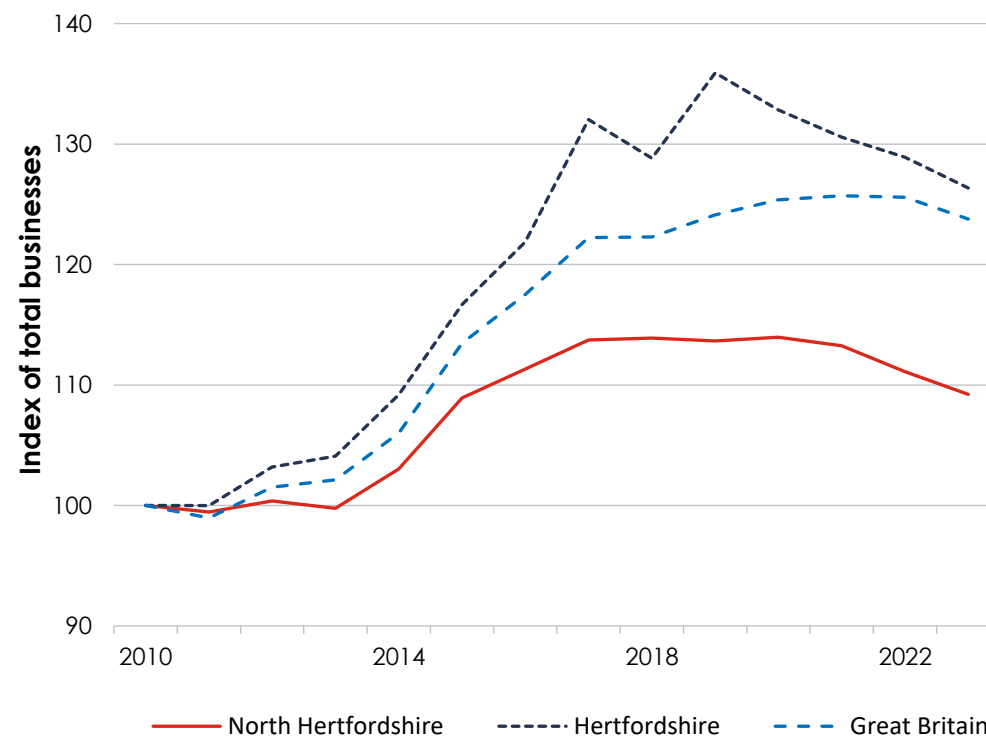
# Businesses (i) – overall business stock

In 2023, there were just over 7,000 'local units' in North Hertfordshire (of which 6,225 were defined as 'enterprises').

In North Hertfordshire, the stock of businesses grew rapidly between about 2013 and 2017; it then appeared to plateau before falling from about 2021.

The overall pattern has been similar across Hertfordshire and nationally – although the early growth in stock was less marked in North Hertfordshire. It means that the business stock now is similar to that which was seen in 2015.

Index of business stock (2010=100)



Source: SQW analysis of ONS, UK Business Counts (IDBR).

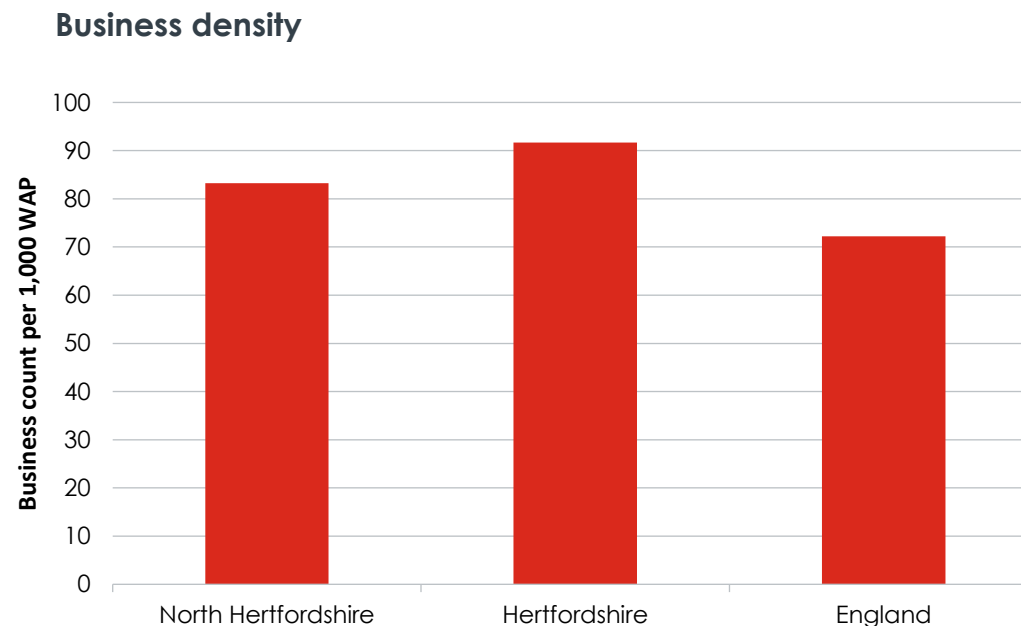
# Businesses (ii) – business density and structure

‘Business density’ is the number of businesses per 1,000 working age population. Generally, a high business density signals a high local incidence of SMEs.

North Hertfordshire has a slightly lower business density than Hertfordshire – but both are above the national average.

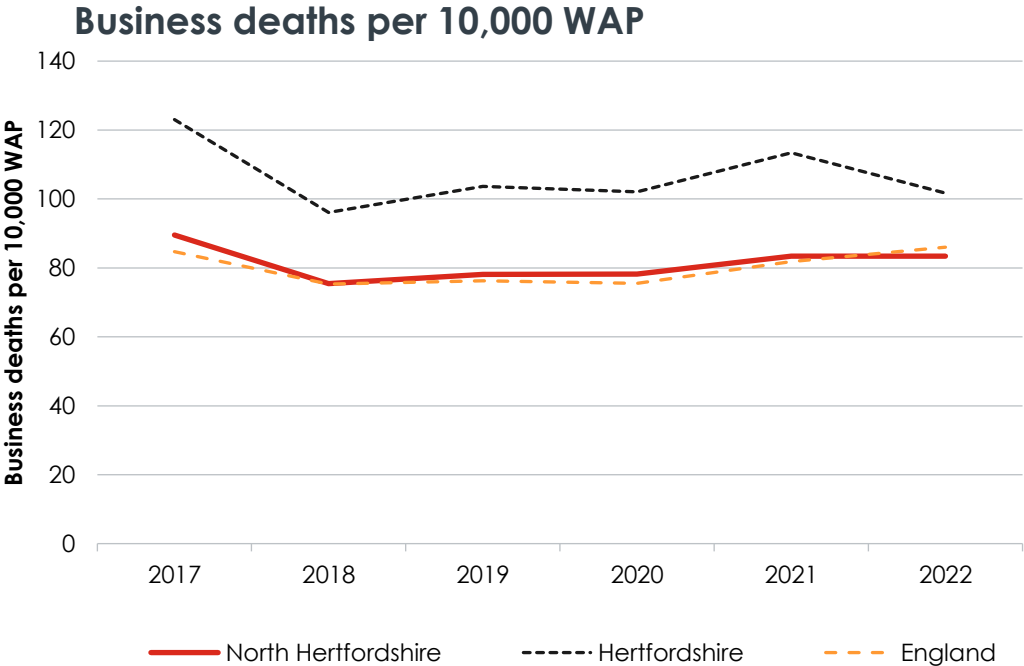
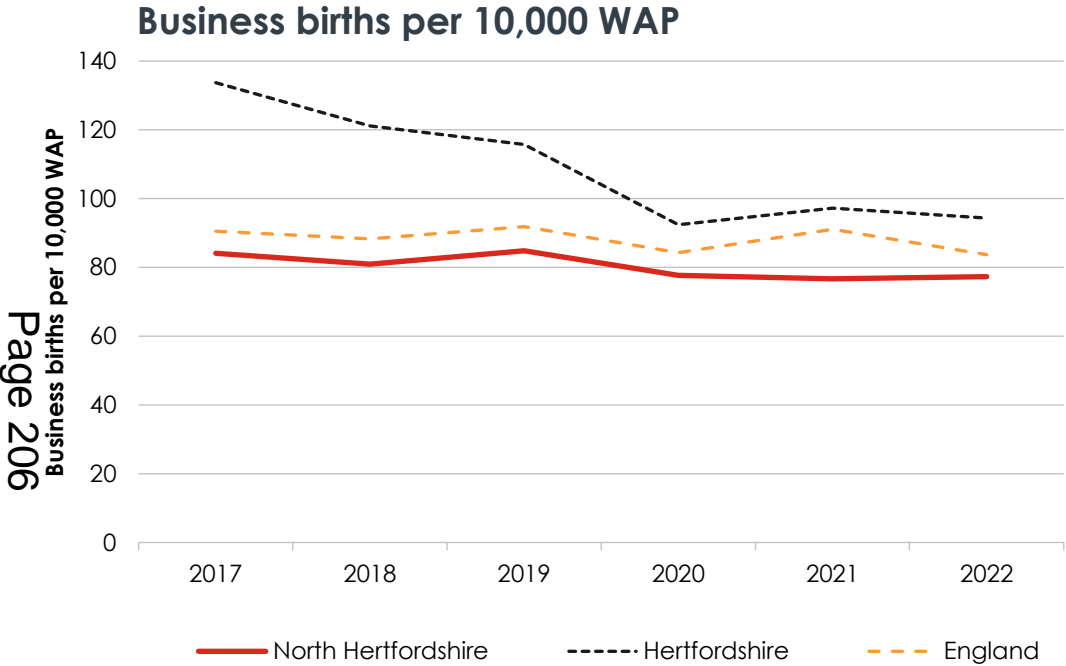
In North Hertfordshire, just under 90% of enterprises are micro (0-9 employees) and 2% have 50 or more employees.

It is also notable that North Hertfordshire’s self-employment rate is slightly higher than the Hertfordshire and UK figures.



Source: SQW analysis of UK Business Counts data. Data are averaged over three years (2020-22 inclusive)

# Businesses (iii) – births and deaths



(Source: SQW analysis of ONS Business Demography and ONS Population Estimates)

North Hertfordshire’s business birth rate has been lower than that across either Hertfordshire or England, and it has drifted downwards. Its death rate has also been lower. Latterly, the death rate has been higher than the birth rate – although the differences are slight.

# Sectoral dimensions (1/2)

At an aggregate level, the table opposite (derived from BRES) shows the sectoral distribution of employee jobs in 2022 – in North Hertfordshire, Hertfordshire and England.

Of particular note are those sectors for which North Hertfordshire diverges from either or both of the two comparators.

The incidence of jobs appears particularly high in North Hertfordshire in two key sectors:

- **Manufacturing** – where the share of employment is double that found nationally and almost three times the county average
- **Accommodation and food services** – where the share is about 50% higher than the county or national figures.

Conversely, North Hertfordshire has relatively little employment in health; business admin and support services; and in professional, scientific and technical activities.

Sector	North Hertfordshire	Herts.	England
1 : Agriculture, forestry & fishing (A)	1%	0%	1%
2 : Mining, quarrying & utilities (B,D and E)	1%	1%	1%
3 : Manufacturing (C)	13%	5%	7%
4 : Construction (F)	7%	7%	5%
5 : Motor trades (Part G)	3%	2%	2%
6 : Wholesale (Part G)	6%	6%	4%
7 : Retail (Part G)	8%	8%	8%
8 : Transport & storage (inc postal) (H)	3%	4%	5%
9 : Accommodation & food services (I)	11%	7%	8%
10 : Information & communication (J)	4%	5%	5%
11 : Financial & insurance (K)	3%	2%	3%
12 : Property (L)	3%	2%	2%
13 : Professional, scientific & technical (M)	7%	11%	9%
14 : Business administration & support services (N)	7%	16%	9%
15 : Public administration & defence (O)	2%	2%	4%
16 : Education (P)	7%	8%	9%
17 : Health (Q)	8%	10%	13%
18 : Arts, entertainment, recreation & other services (R,S,T and U)	4%	4%	4%

# Sectoral dimensions (2/2)

Data from BRES are available in relation to very detailed sectors – although more granular analysis (spatially and sectorally) creates challenges in relation to robustness (so there is a need for some caution in using the data).

For disaggregated sectors with more than 300 jobs, the table opposite shows those that were most concentrated in North Hertfordshire (relative to the national average) in 2022. [*The measure of concentration is a Location Quotient (LQ) – defined as the concentration of jobs in each sector in North Herts compared to the concentration nationally*]

**Manufacturing sub-sectors – some very specialised – stand out strongly, and distinctively.** These correlate with some of the North Hertfordshire’s major employers.

Thereafter, the list of concentrated sectors is eclectic – it includes some local service activities, and some financial and professional services.

Sector	Jobs	LQ
242 : Manufacture of tubes, pipes, hollow profiles and related fittings, of steel	300	25.9
231 : Manufacture of glass and glass products	500	10.8
332 : Installation of industrial machinery and equipment	350	10.1
282 : Manufacture of other general-purpose machinery	900	7.2
201 : Manufacture of basic chemicals, fertilisers and nitrogen compounds, plastics and synthetic rubber in primary forms	300	6.5
651 : Insurance	800	5.1
265 : Manufacture of instruments and appliances for measuring, testing and navigation; watches and clocks	400	4.8
951 : Repair of computers and communication equipment	300	4.1
562 : Event catering and other food service activities	1,250	3.1
749 : Other professional, scientific and technical activities n.e.c.	600	3.1
222 : Manufacture of plastics products	600	2.7
453 : Sale of motor vehicle parts and accessories	450	2.6
813 : Landscape service activities	350	2.4
433 : Building completion and finishing	900	2.4
381 : Waste collection	300	2.2

# Perspectives from North Hertfordshire's businesses

“ **Printing company:** *I was a little bit apprehensive about getting a unit anyway because of the extra expenses with business rates, insurance, utilities, etc., so after a few years I decided that I didn't want a unit – I'm quite happy working from home. [...] I belong to a networking group, but in my situation it's the artists who talk to each other and recommend me. It's a nice friendly group, so it's nice when you're working on your own. You meet people who are in the same sort of situation as yourself. [...] Hitchin is a good fit in that way. It also has a good art community, along with St Albans and Harpenden, so it seems to be a good place to be.*

“ **Heritage and events venue:** *We're by all these other possibly more exciting counties [in terms of their heritage offer] and yet we have a huge amount to offer. We turn over extremely well within the economic world and need support and recognition for that. [...] It's critical that we continue to work together and press the importance of information and engagement and working together. That's the best way to help all businesses in promoting what they have to offer.*

## 4: Residence-based economy – people and skills

# Population

North Hertfordshire had a resident population of 133,571 in 2021.

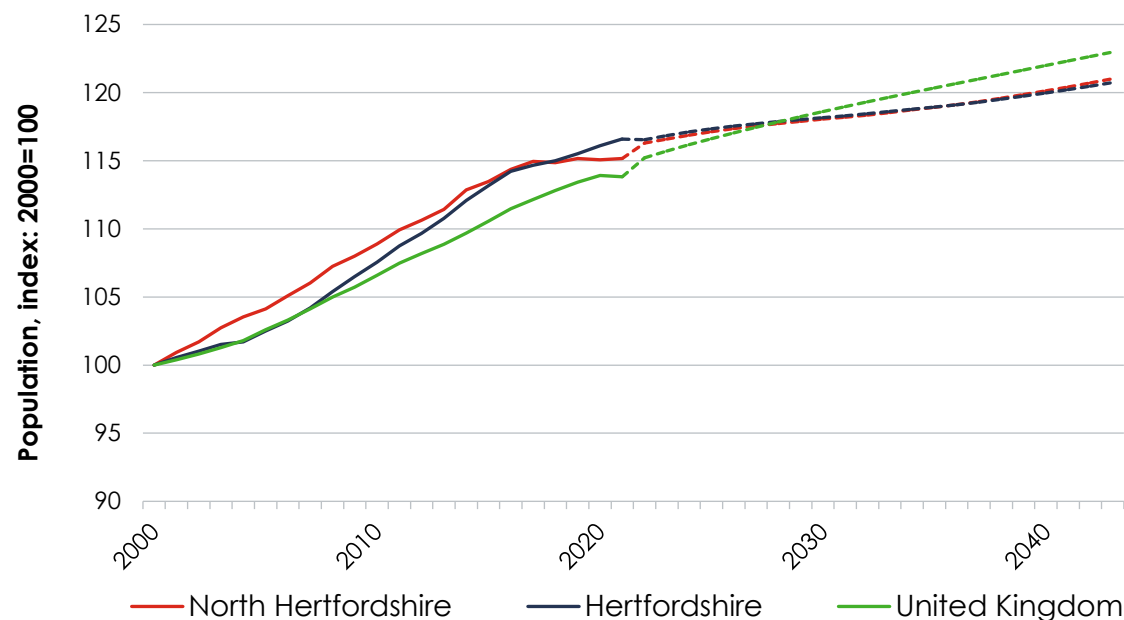
The district's population increased by 17,588 between 2000 and 2020 (at a growth rate of 0.67% per annum).

The population growth rate was higher than the national average from 2000 to 2021 – although the rate of growth slowed locally after 2017.

Projections suggest that population growth will continue but at a slower rate than previously. Looking ahead, rates of population growth are also projected to be slower than the national average.

The proportion of non-working age people (both children and adults aged 65+) to working-age people in North Hertfordshire was above the national and Hertfordshire averages between 2000 and 2021. It is expected to continue to remain above these averages into the future. The ratio is expected to reach 0.74 by 2043 (up from 0.58 in 2000).

Index of total population, index: 2000=100



(Source: ONS Population Estimates/Projections data )

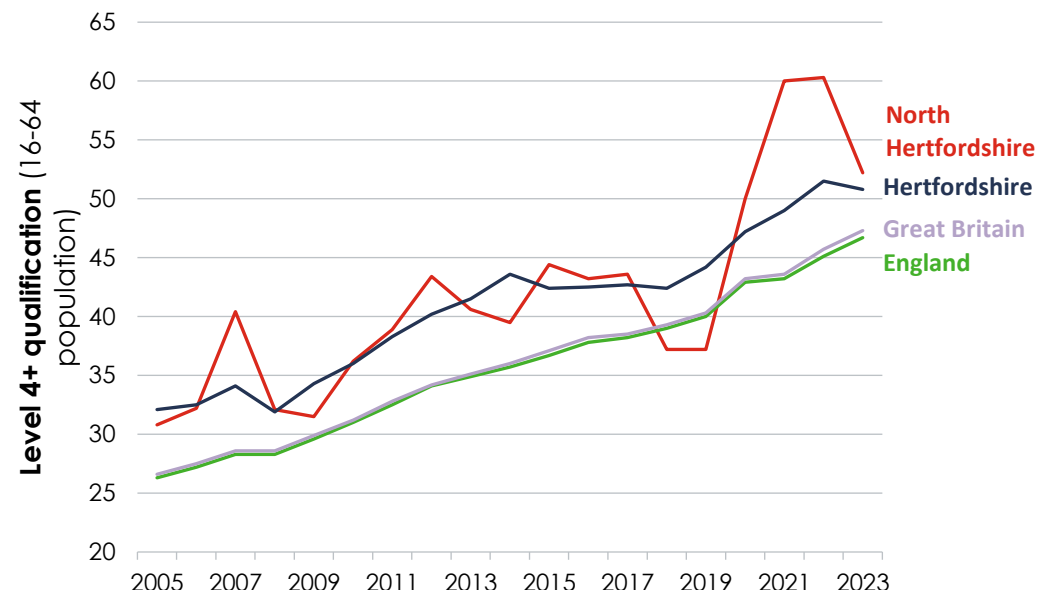
# Qualifications and skills

The proportion of North Hertfordshire's working age population with degree level or higher (NVQ4+) qualifications is broadly in line with the Hertfordshire average and higher than the national average.

It suggests that North Hertfordshire has strong people and skills 'assets'.

However, as discussed earlier, many residents of North Hertfordshire commute to work elsewhere. The Local Plan identifies a Functional Economic Area which includes Stevenage and Central Bedfordshire. There is also significant out-commuting to London.

Proportion of population aged 16-64 qualified to NVQ/RQF4+



Source: Annual Population Survey

# Apprenticeships

In North Hertfordshire, there were 680 apprenticeship starts in 2022-23 and 330 achievements.

In North Hertfordshire – as elsewhere – the number of apprenticeship achievements has drifted downwards over recent years (although the pattern has been erratic year-on-year)

*'Business, administration and law'* and *'health, public services and care'* are the subject areas with the most apprenticeship achievements in the district. A similar pattern is evident across Hertfordshire.

The data however suggest that around 12% of apprenticeship achievements are in *'information and communication technology'*. This is double the

figure at both regional (East of England) and national levels.

Conversely 'engineering and manufacturing technologies' account for around 12% of achievements. This is lower than in both the regional and national figures.

Given North Hertfordshire's sectoral strengths in advanced manufacturing, this perhaps suggests some level of misalignment.

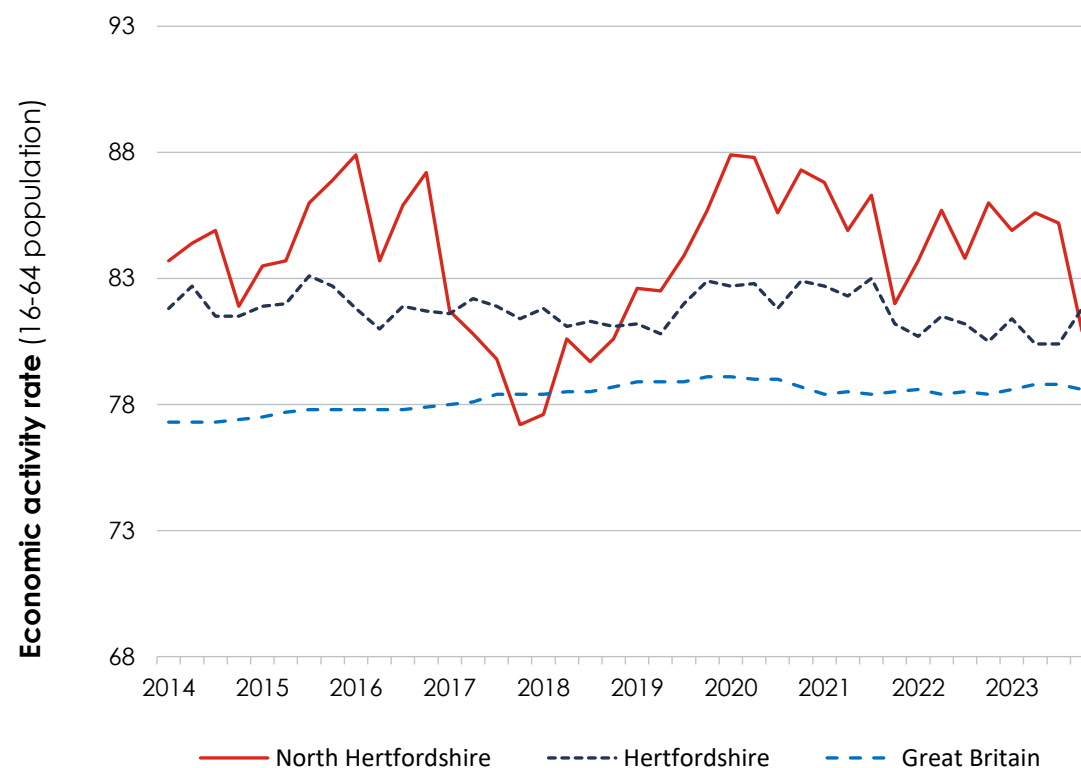
*[All data for 2022-23 from DfE, Apprenticeships and Traineeships]*

# Economic activity

Although the data are volatile, North Hertfordshire has generally been characterised by a high rate of economic activity among its 16-64 year old population. The activity rate is high in both North Hertfordshire and county-wide, compared to the national average.

From the Annual Population Survey, it is estimated that about 16,800 residents (aged 16-64) of North Hertfordshire are economically inactive. The district-level data are not very reliable but for Hertfordshire as a whole, the proportion of economically inactive people who are long term sick is around 24%; as elsewhere, this figure has increased sharply.

## Economic activity rate



Source: SQW analysis of ONS, Annual Population Survey. Apr 2023-Mar 2024 release.

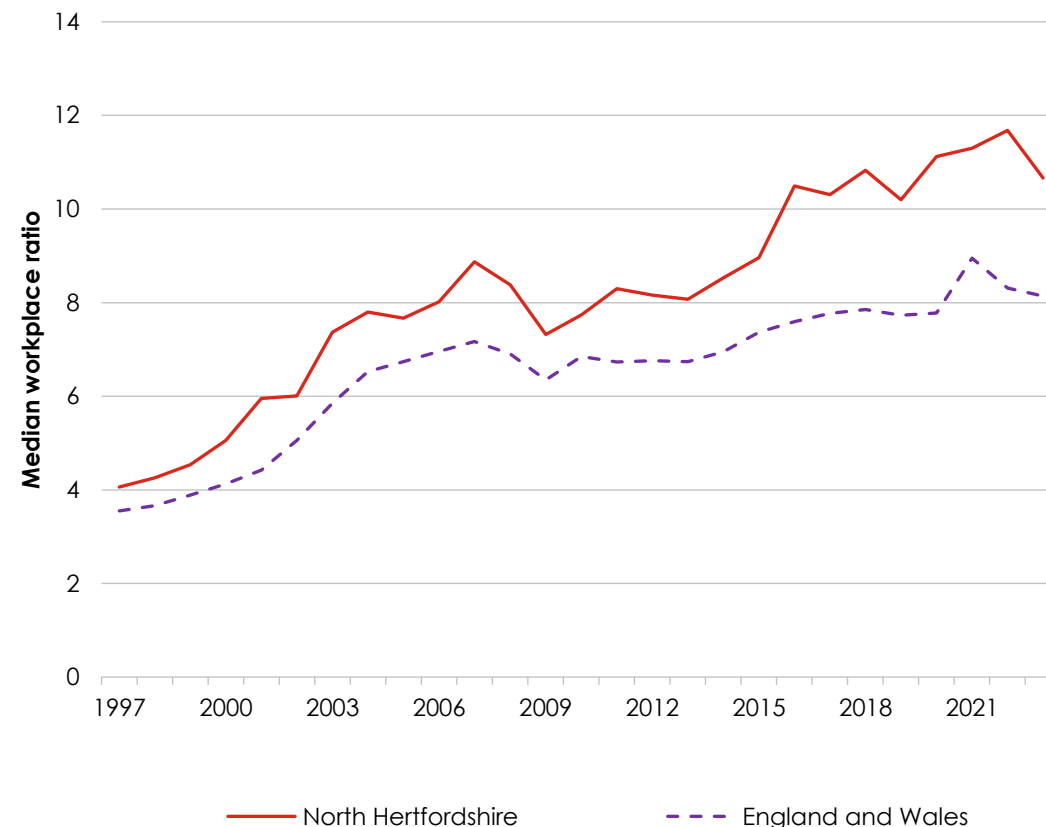
# Affordability

Housing in North Hertfordshire is expensive relative to workplace-based earnings – as shown in the chart opposite.

Relative to the average for England and Wales, North Hertfordshire has become less affordable over the last two decades - particularly since about 2015.

However, the picture locally is different. In principle, North Hertfordshire is the second most affordable of the ten local authority districts within Hertfordshire.

Ratio of median house price to median gross annual (where available) workplace-based earnings



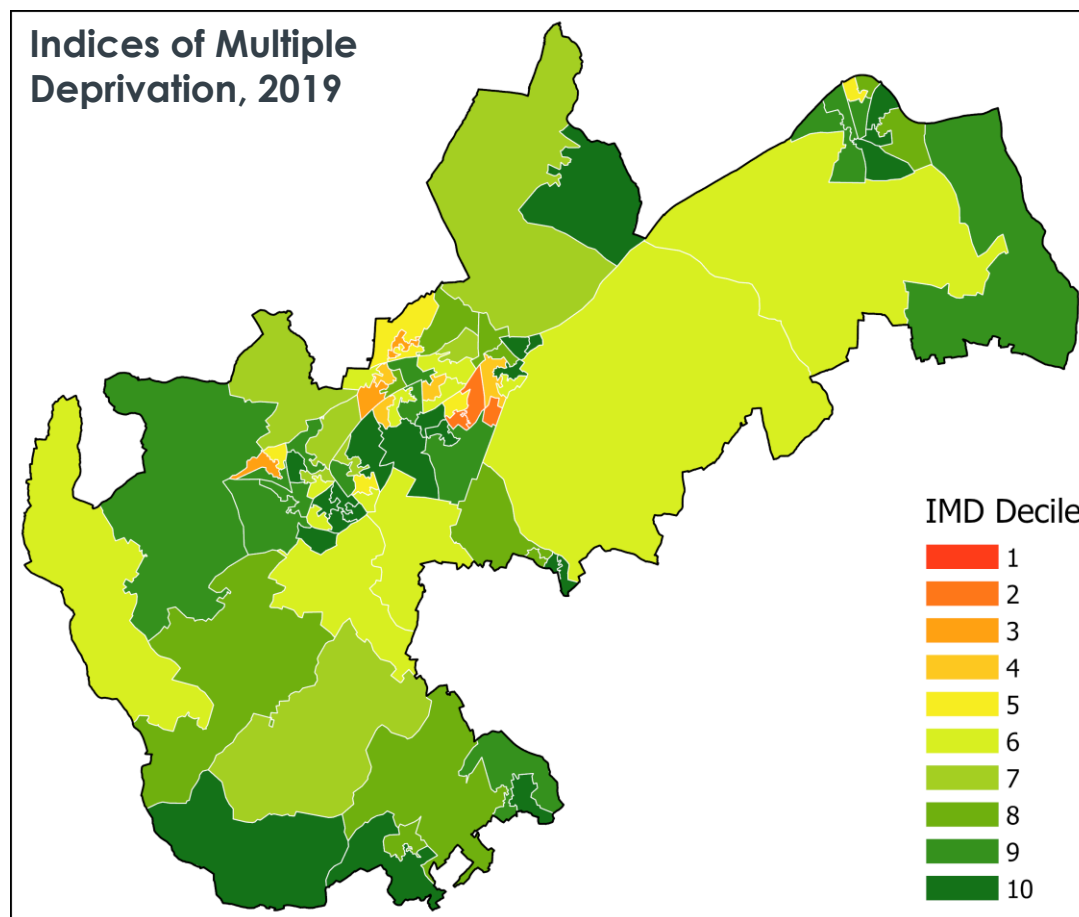
Source: House Price Statistics for Small Areas and Annual Survey of Hours and Earnings from the Office for National Statistics

# Deprivation in North Hertfordshire

North Hertfordshire is generally quite prosperous. From Census 2021, over 55% of households were not recognised as deprived on any measure (slightly higher than for Hertfordshire as a whole). On the Indices of Multiple Deprivation, the district as a whole ranks as the 269th most deprived (of 317) in England).

However, there are substantial variations within the district and there are clear pockets of deprivation. These are especially apparent in some of the towns – notably Letchworth Garden City and Baldock – as the map opposite shows.

In general terms, North Hertfordshire's rural areas have lower levels of deprivation. Access to services can still be a major challenge, particularly for those without the use of a car.



Source: Produced by SQW. Contains OS data © Crown copyright and database right [2024], ONS (licensed under Open Government Licence v.3.0) and Esri data

## 5: North Hertfordshire's towns (and villages)

Page 217

# Royston

Page 218

**17,700**

**Total population in 2022**



**10,900**

**Working age population in 2022**



**7,800**

**Total number of employee jobs\* in 2022**



Note that these data are a sum of estimates provided at LSOA level – so they provide a broad approximation, not an accurate measure.  
\*Employee jobs from BRES dataset – self-employed jobs not included (as Jobs density data not available at LSOA level).

# Perspectives on Royston

Royston is a small town which looks to the north as part of the Cambridge sub-region in functional economic terms. There are significant commuting flows, and broader links too.

Royston is home to some major knowledge-intensive employers. These are located within a substantial (and well-performing) industrial area on the northern side of the town, close to the Royston bypass.

The largest is Johnson Matthey. It developed catalytic converter technology in the past and is now advancing hydrogen-based fuels (having announced major investment in a factory in Royston to scale up the manufacture of components). A second is Sartorius – which came to Royston following the acquisition of TAP Biosystems. It is focused on the design and manufacture of cell culture and fermentation systems.

Royston therefore has some outstanding businesses – albeit

supply chain and other local linkages appear quite limited, as do wider connections across North Hertfordshire

Royston town centre has seen some investment in recent years. It has a Business Improvement District (BID) – which has just been renewed for another five years. It is active in promoting the town and it has support from the major businesses; indeed, improving connections between the industrial area and the town centre is a priority.

Spatially, Royston abuts the administrative boundary with Cambridgeshire; because of environmental constraints, there is limited scope for Royston to grow within North Hertfordshire.

Royston is surrounded by beautiful countryside. With a railway station and good links to both Cambridge and London, the area attracts commuters. Levels of deprivation are relatively low.

# Perspectives on Royston from consultees

“ *Royston does very well considering the economic pressure it's under. It obviously benefits from being on the commuter belt to London. But people don't necessarily spend their money in the town centre.* ”

“ *We have a lot of smaller shops. The business rates are not shocking and the rents are reasonable, so we can afford to have small businesses. That's just because of the geography of the town, just by accident.* ”

“ *The industrial estate sectors are very different – it's more B2B and that's an industry that's generally thriving. So the industrial estate is in pretty good condition. I'd say the High Street is generally under a lot more threat. Between the industrial estate and the town centre there's very little relationship.* ”

# Letchworth Garden City

Page 221

**34,400**

**Total population in  
2022**



**21,200**

**Working age  
population in 2022**



**17,600**

**Total number of  
employee jobs\* in 2022**



Note that these data are a sum of estimates provided at LSOA level – so they provide a broad approximation, not an accurate measure.

\*Employee jobs from BRES dataset – self-employed jobs not included. Jobs density data not available at LSOA level

# Perspectives on Letchworth Garden City (1/2)

Page 222

The economic character of Letchworth Garden City owes much to its origins as the first Garden City. This brings with it both strengths and weaknesses in economic terms.

Letchworth benefits from substantial commercial property – both office and industrial premises, and the Heritage Foundation is the major owner of land and property in this context. Much of the stock is dated, and there are increasing challenges linked to its environmental performance.

Letchworth has some significant businesses occupying office space – perhaps most notably Willmott Dixon (construction) in the Spirella Building. However overall, there are high vacancy rates across office space. Some individual buildings

(e.g. Spirella) have potential, but new occupiers are needed in the context of an office market that has changed substantially since the pandemic and was under pressure in any case.

The industrial area is substantial. It includes Icknield Way and Works Road. Levels of occupancy are higher than for office space – albeit the stock is of a relatively poor quality.

There are many very traditional engineering and manufacturing firms in Letchworth. There is a handful of leading-edge businesses focused, for example, on medical technology and additive manufacturing.

# Perspectives on Letchworth Garden City (2/2)

However, these businesses lack visibility – and business networks across Letchworth are ‘thin’.

The Heritage Foundation is looking to dispose of some sites – which in time could mean that more employers own the freehold and are therefore more ‘invested in’ Letchworth. The Foundation is committed to active asset management (and the proceeds of disposals will be reinvested) to generate an income stream to invest in the town (see *Letchworth Garden City Heritage Foundation: Strategy 2028*).

Letchworth’s town centre is under pressure, and there are vacant retail units.

Led by the Heritage Foundation, there has been a

renewed attempt to develop the cultural and creative foundations of Letchworth. This has included, for example, promoting the Broadway theatre and cinema. However, new thinking in relation to Letchworth’s economic purpose more generally is likely to be important.

Levels of deprivation in Letchworth are relatively high.

# Perspectives on Letchworth Garden City from consultees

“*“Letchworth is Letchworth Garden City.” It isn’t a Hitchin, it isn’t a Baldock, it isn’t a Royston. It’s Letchworth Garden City. If you look at pictures of Letchworth Garden City from the thirties and forties, it probably hasn’t changed much.*”

“*It’s still a popular place to come and shop, and it’s obviously still a popular place to do business. The big thing is that the type of business has just changed over the years. So can I buy a pair of Levi jeans in Letchworth? No, I can’t. But I can buy the best coffee in the world in Letchworth? Yes.*”

“*One of the main assets for the town is that our railways station is right in the town centre, and we should be making more of that. [...] Cambridge is 20 minutes on the train. Stevenage is 5 minutes down the A1. So the transport links by car are good. The transport links by train are excellent. But the transport links by bus are woefully dreadful.*”

“*Even though it’s a reasonably small town we still have a massive industrial area. We should be forging stronger links with the other partners in the industrial area, because we have some big multinational companies. Getting all those big companies to work together for Letchworth would be fantastic.*”

# Hitchin

Page 225

**35,400**

**Total population in  
2022**



**22,500**

**Working age  
population in 2022**



**16,000**

**Total number of  
employee jobs\* in 2022**



Note that these data are a sum of estimates provided at LSOA level – so they provide a broad approximation, not an accurate measure.

\*Employee jobs from BRES dataset – self-employed jobs not included. Jobs density data not available at LSOA level

# Perspectives on Hitchin

Hitchin is a vibrant town – and its character is different from that of Letchworth and Baldock, despite their proximity.

It benefits from being on the East Coast Mainline (rather than on the branch line to Cambridge). It is also close to the A1(m). It is therefore well connected. It has the ‘feel’ of being strongly linked to London, and it appears to be a favoured destination for out-movers from (and in-commuters to) the capital. As a place, it is relatively affluent, and house prices are high.

Some major employers have a significant presence within Hitchin. It is one of three locations nationally for LV=, a major financial services/insurance business. There is a suite of local service businesses too.

There is a major redevelopment opportunity at Churchgate, within the town centre. This is a significant project and a

major focus for the District Council (and its Joint Venture partner). Work is underway currently to agree the economic focus for Churchgate; this is being considered in the light of changes to the retail sector and the need to provide a cultural/economic focus for the town. Churchgate is adjacent to the town’s historic market, and it is a key project for Hitchin.

Hitchin has a well-established town centre BID, which is helping to reinforce the role of Hitchin as a visitor destination within North Hertfordshire. As well as supporting plans for Churchgate, the BID team has focused on the role of the riverside waterfront and riverside walkway.

Overall, Hitchin is regarded as the most vibrant and prosperous of the North Hertfordshire’s towns. Within it, levels of deprivation are comparatively low.

# Perspectives on Hitchin from consultees

“

*It's hard to ringfence North Hertfordshire because we're so far north [...] that we get a huge draw in from Bedfordshire and Cambridgeshire – big footfall coming in. [...] Hitchin certainly is the commercial hub of the district, and so we get footfall in from surrounding villages across the border into Bedfordshire, and in Hertfordshire we get footfall from Luton and Bedford, and some from Stevenage, a lot from the south side of Letchworth.*

“

*The main sectors we've got are eateries, a lot of coffee shops, hospitality businesses, food businesses. And then services. So estate agents, law firms, beauty places, hairdressers, as you do in lots of towns. And then we have a large section of independent retailers. And we have a pretty healthy population of national retailers. We've still got Fat Face, we've got Oliver Bonas, Jo Jo Mama Bebe, we've got all these sorts of chains. And I think the fact that we've got M&S and Waitrose in the town is a good thing, because these are the types of brands that other retailers look out for.*

“

*We don't have the room [for larger businesses] at the moment [only have small units]. So [we need the Council to look] at this Churchgate development [...]. The thing we're really lacking in is leisure facilities like cinemas, and activities like bowling and minigolf. You know, these sorts of things for towns that we don't have and that we could really do with – more leisure facilities, arts, cultural centres, live music venues, those sorts of things. And we are massively lacking in hotel space.*

# Baldock

Page 228

**10,800**

**Total population in 2022**



**7,000**

**Working age population in 2022**



**2,600**

**Total number of employee jobs\* in 2022**



Note that these data are a sum of estimates provided at LSOA level – so they provide a broad approximation, not an accurate measure.

\*Employee jobs from BRES dataset – self-employed jobs not included. Jobs density data not available at LSOA level

# Perspectives on Baldock

Baldock is the smallest of North Hertfordshire's four towns, but it is an historic place with its own distinctive character.

The nature of the town – and its economy – changed with the opening of the Baldock by-pass almost 20 years ago.

Baldock has a range of town centre services – albeit it is a small town centre and very close to (in particular) Letchworth.

In 2023, a major fire affected one of its principal industrial areas, creating new uncertainty for the town.

Baldock is a place with significant, if localised, deprivation.

In the Local Plan, provision is made for major growth close to Baldock. This includes an allocation of employment land, alongside provision for some 3,000 homes. Originally, this was linked to unmet need in Stevenage (although in practice, Stevenage has accommodated more of its own growth than anticipated). Urban and Civic has developed a high level strategic masterplan for the scheme, recognising that it relates to 'Growing Baldock' as a whole.

Of the four towns in North Hertfordshire, **all but Baldock have a Business Improvement District (BID).**

# North Hertfordshire's villages

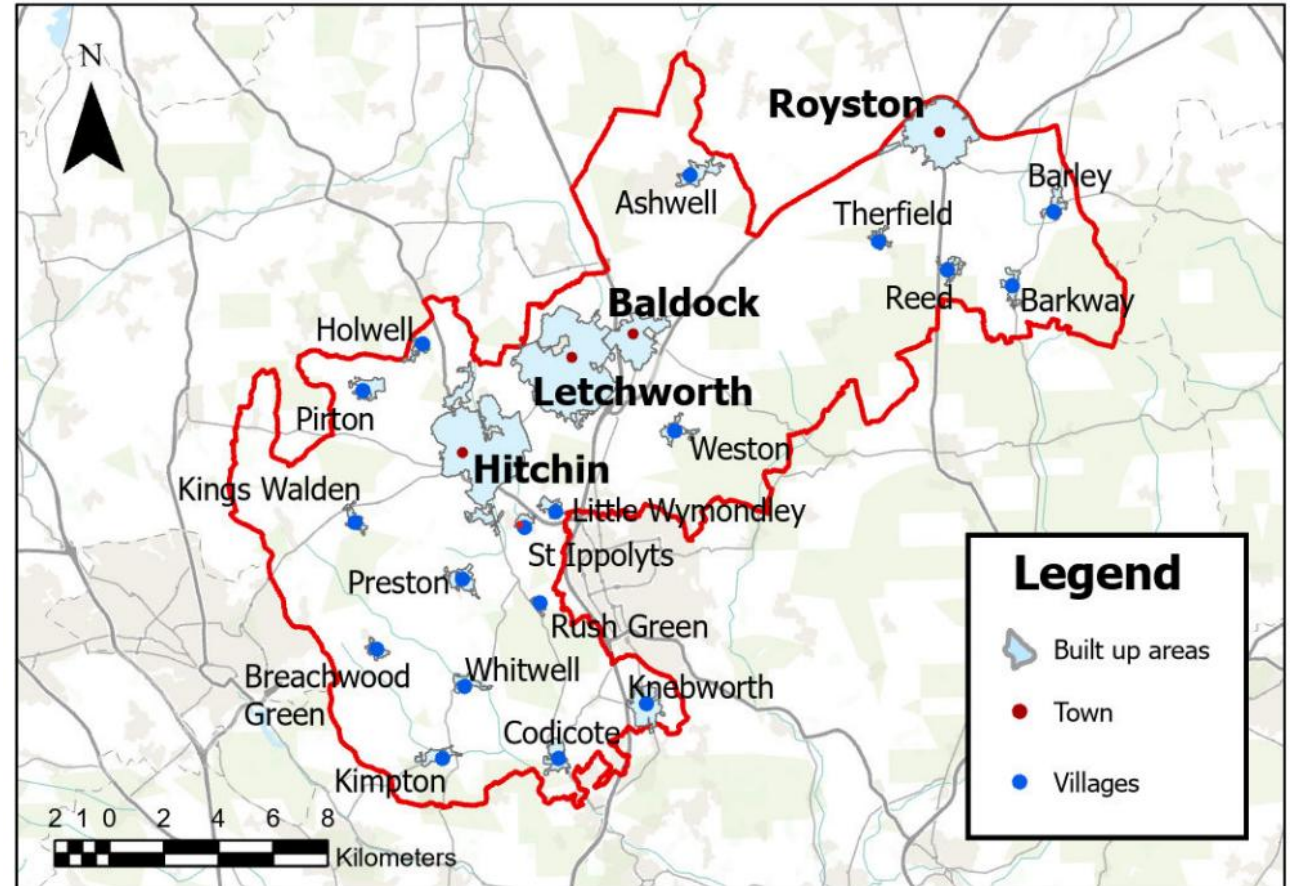
North Hertfordshire is also home to a large number of villages.

These vary in terms of their economic roles and character.

Some are well-connected with a clear economic purpose of their own (e.g. Knebworth, Ashwell).

Others are delightful places to live but with a limited local economic base – although in all cases, working from home has become increasingly evident since the pandemic.

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## 6: Baseline forecasts

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# Economic forecasting

The slides which follow provide two sets of baseline forecasts. As with all the forecasts, there is a significant range of possible outcomes – so there is, in practice, much uncertainty.

Page 232 The first set of forecasts is concerned with employment – although note that this is driven out of BRES jobs only (i.e. omitting most self-employment jobs). The second set is focused on estimates of GVA.

Overall, the modelled data point to slower future employment growth across North Hertfordshire than across Hertfordshire. Indeed, the local pattern is closer to the national one than the rest of the county (which is forecast to grow steadily).

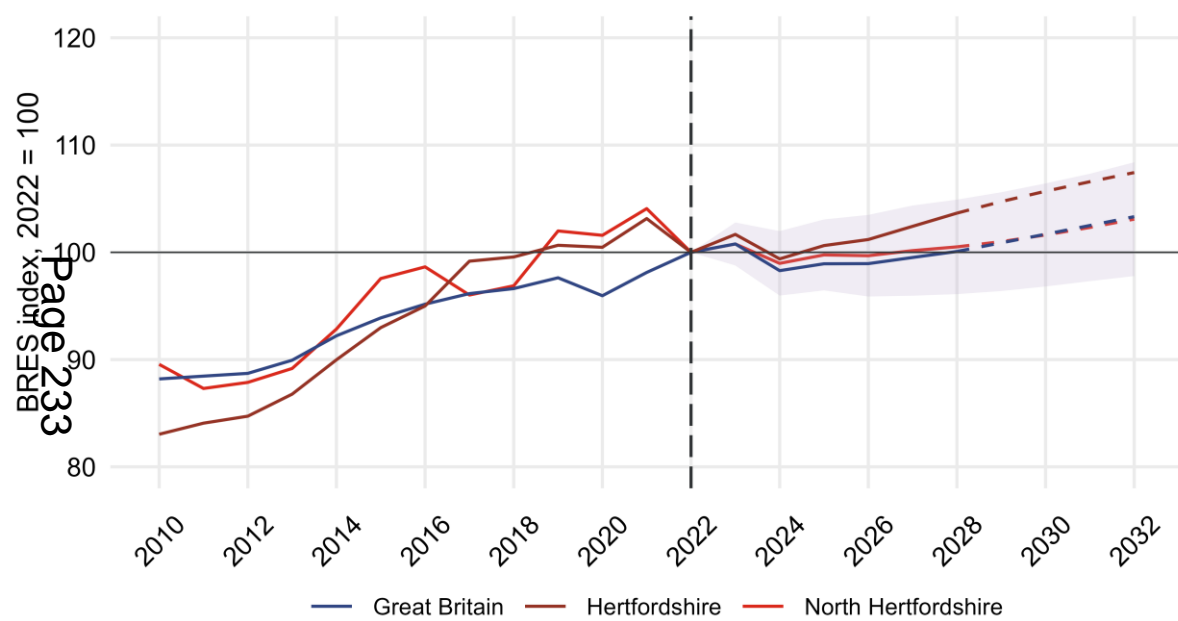
Modelled forecasts in relation to GVA are relatively weak for North Hertfordshire – compared both to the county and to Great Britain as a whole. This will be explained, in part, by its sectoral structure.

In terms of the local comparators, the picture is more complicated. The strongest growth forecasts are for South Cambridgeshire, particularly in respect of GVA; South Cambridgeshire is distinctively different from all other areas that have been considered.

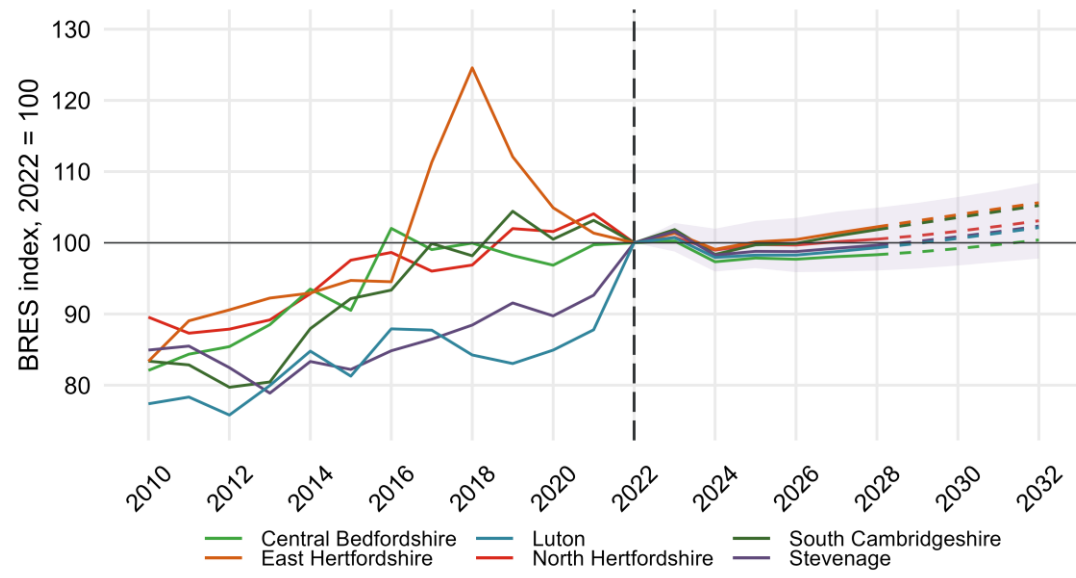
However, some of the other districts are forecast to see employment decline, certainly during the early part of the forecast period. Compared to its near neighbours, North Hertfordshire should be considered to be mid-ranking.

# Employment forecasts

Comparator areas: employment baseline

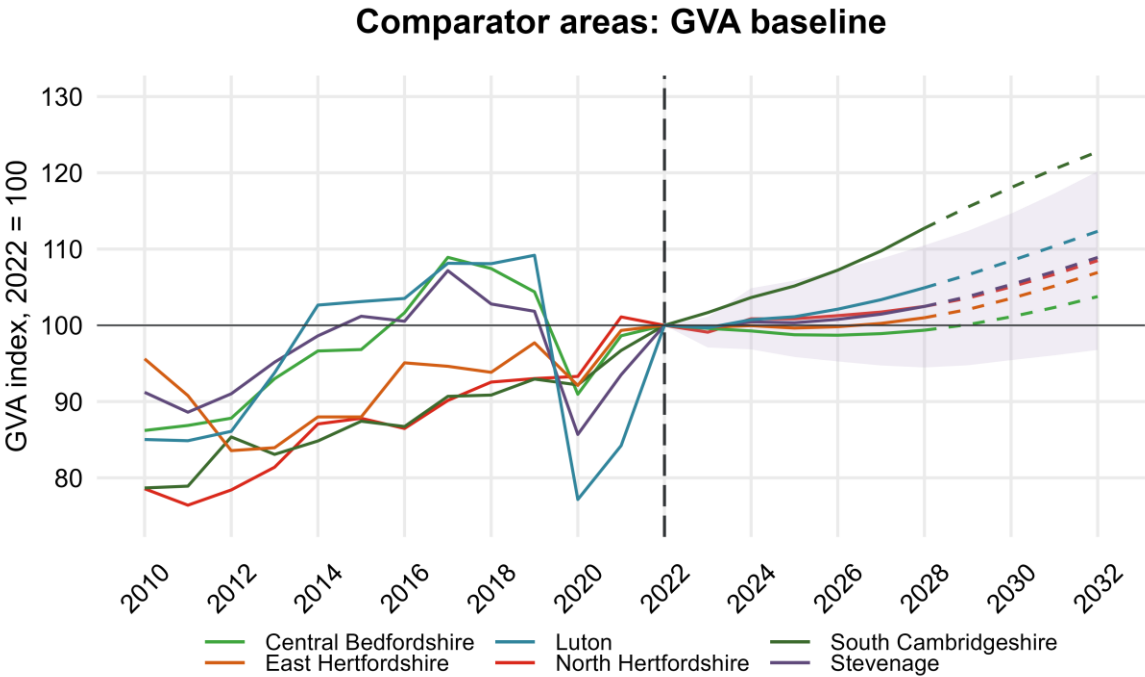
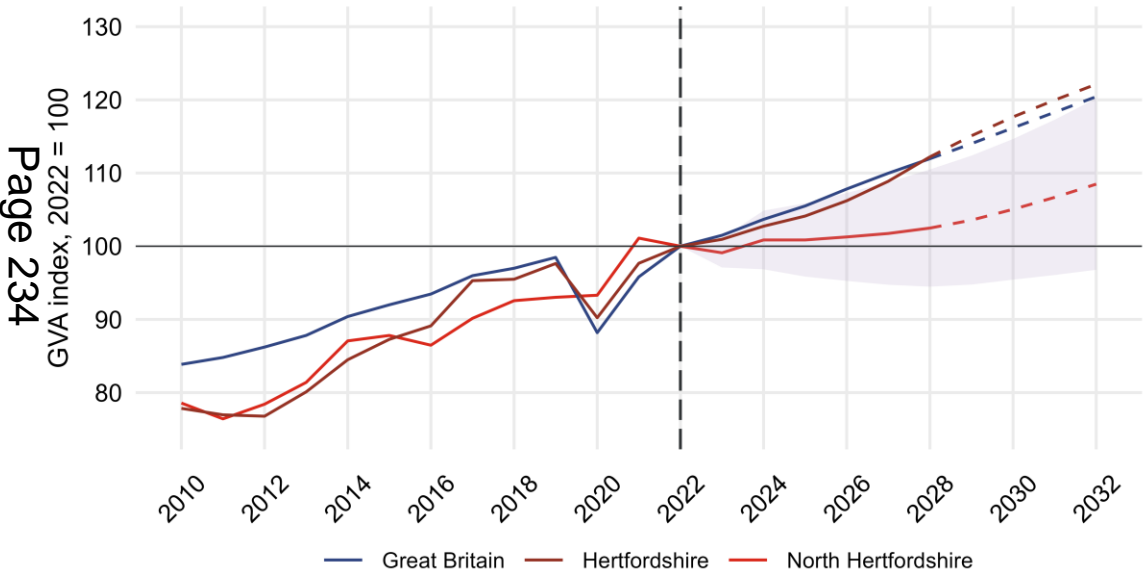


Comparator areas: employment baseline



(Source: SQW)

# GVA forecasts



(Source: SQW)

# 7: Overall assessment

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# Key messages from business consultations...

Page 236

- *North Hertfordshire is a great place to live and work*
- *However, North Hertfordshire's 'offer' is undersold; the district is seen as 'chasing' its neighbours rather than promoting a clear vision*
- *The business community in North Hertfordshire is 'disjointed': some businesses feel isolated and under-supported, and some want more support, networking and training opportunities.*
- *Businesses are positive about local workforce skills and their ability to hire locally, although they also identify Cambridge, London and Stevenage as 'hiring competitors'*
- *The lack of commercial space, particularly larger units, is a concern for larger businesses. This is restricting the growth potential of local businesses.*
- *At the same time, some commercial space is 'underused'*
- *SMEs are important for North Hertfordshire's economy, including those in rural areas.*
- *Key concerns for the smaller businesses include*
  - *lack of training/upskilling opportunities*
  - *rising rents and Business Rates*
  - *limited bus services to bring staff and customers to/from rural areas.*
- *Some SMEs are based in villages and operate virtually. North Hertfordshire is good for remote working: when needed, clients are accessible by rail and road.*
- *Businesses view road and rail links in North Hertfordshire, as well as the proximity to areas such as London, Cambridge, Luton and Stevenage, as key economic assets.*

# North Hertfordshire: Strengths and opportunities (1/2)

North Hertfordshire has some economic strengths and opportunities:

- North Hertfordshire has a diverse local economy which is shaped, fundamentally, by its connections to elsewhere – particularly to Cambridge and London
- local businesses recognise the strengths of the area, particularly in the context of its location
- there are potential opportunities (but also pressures) linked to investment in Stevenage and Luton – both have seen significant change over recent years, and more is planned (e.g. around Luton Airport, and linked to GSK's site/Gunnels Wood Road)
- there are some examples of knowledge intensive

businesses investing in the district, particularly in Royston – but a limited wider footprint (cluster) associated with them: there is scope to build on this

- there are relatively strong workforce skills among those resident within the district – although the flow of people (exporting well qualified people and importing lower level skills) is a factor (suggesting that more could be done to attract/generate businesses that might use the resident skills base)
- the district has a predominantly SME-based economy – with enterprise and entrepreneurship, albeit of a diffuse form; it appears to be a place in which businesses tend to survive (if not grow)

# North Hertfordshire: Strengths and opportunities (2/2)

North Hertfordshire has some economic strengths and opportunities (cont'd):

- the area has a strong visitor economy offer – Hitchin town centre, Knebworth, etc. – although more could be done to increase dwell time and spend (e.g. by promoting the district's wider offer)
- North Hertfordshire has an outstanding natural landscape (including part of the Chilterns National Landscape)
- there are exciting plans for the future of Hitchin town centre/market – although the detail of this remains to be decided
- there are possibilities linked to major growth at Baldock – albeit without a clear economic vision

currently – and more could be done to advance and promote this

- North Hertfordshire is more affordable than most of the rest of the county (albeit it has become relatively less affordable over recent years)

# North Hertfordshire: Challenges and threats (1/2)

North Hertfordshire also faces some challenges:

- the business base across the district is extremely fragmented and it probably lacks critical mass
- there appears to be some misalignment between the sectoral structure of the business stock and the profile of apprenticeship achievements (potentially meaning that opportunities are being lost)
- commuting distances appear to be increasing – so local business embeddedness and commitment may be eroding
- major businesses appear to be quite disconnected – ‘in’ rather than ‘of’ North Herts,

but all benefiting from the location of North Hertfordshire (and the potential talent pool linked to London and Cambridge)

- the vibrancy of both Stevenage and Luton is causing competition for (and pressures on) North Hertfordshire, and – in a different way – the relationship with Central Bedfordshire causes challenges too
- all the town centres are under pressure – particularly Letchworth and Baldock
- Hitchin, Baldock and Letchworth are in close proximity but fiercely independent – considered together, their legibility (and profile) could increase, recognising that each town has a distinctive offer

# North Hertfordshire: Challenges and threats (2/2)

North Hertfordshire also faces some challenges (cont'd):

- the district's commercial property stock has weaknesses (which need to be addressed through the Strategy):
  - there is surplus office space which is not well aligned with current demand
  - much of the industrial stock is of poor quality: it is providing low cost solutions for businesses that are failing to modernise (which may not be sustainable: a ticking time bomb?)
- there is a lack of sites for inward investment and marketing purposes is a challenge – and if

there is demand, it is from logistics

- there is a lack of animated innovation provision and few 'anchor' points to value-added local economic drivers
- there are substantial pressures relating to housing provision

# Research, analysis and advice

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## SQW



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<b>CABINET</b>
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<b>23 SEPTEMBER 2025</b>
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<b>PART 1 – PUBLIC DOCUMENT</b>
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**TITLE OF REPORT: CORPORATE PEER CHALLENGE ACTION PLAN UPDATE**

REPORT OF: CHIEF EXECUTIVE

EXECUTIVE MEMBER: LEADER OF THE COUNCIL

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

**1. EXECUTIVE SUMMARY**

- 1.1 The Council undertook a Corporate Peer Challenge (CPC) between 4 and 7 November 2024, where we were visited by a peer team supported by the Local Government Association. The peer team produced a feedback report, which was reported to Cabinet on 14 January 2025. Subsequently an Action Plan was developed to respond to the recommendations and was approved by Cabinet on 23 March 2025. This report updates on progress against the Action Plan, attached at Appendix A.

**2. RECOMMENDATIONS**

- 2.1 That the updates to the Corporate Peer Challenge Action Plan be noted.

**3. REASONS FOR RECOMMENDATIONS**

- 3.1 To ensure that the Council responds to the matters identified within the CPC report, ensuring that the benefits of the CPC process are realised.

**4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1. The 'do nothing' option of not following up on the agreed action plan has been discounted, as the Council committed to undertake the CPC and should therefore seek to gain benefit from that process.

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

- 5.1 All staff and councillors who took part in the CPC were invited to attend the feedback session on the final day. That presentation has been made available to all staff and councillors (including those who had not taken part). The Leader, Deputy Leader and the Leadership Team received the feedback report and had the opportunity to raise any questions or clarifications.

- 5.2 The Action Plan was developed following discussions with the Leadership Team and Executive Members and was considered by Overview and Scrutiny Committee on 11 March 2025 prior to its adoption by Cabinet. Those responsible for the various actions on the Action Plan have provided updates on progress and these were considered by Political Liaison Board on 5 August 2025.

## **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 Local Government Association offers a number of services to authorities, one of them is the CPC and all authorities are encouraged to undertake them every four to five years. The Council's last full CPC took place in January 2020. A focussed review by different peers looking specifically at Overview and Scrutiny and Finance, Audit and Risk Committees was undertaken in late 2022 and reported to both committees on 20 June 2023 and 21 June 2023 respectively. It was decided to undertake another full CPC early in the new political administration in 2024, so that the recommendations could help shape and inform the approach over the four year term.
- 7.2 The CPC is designed by the Local Government Association (LGA) to provide a robust and effective improvement tool managed and delivered by the sector, for the sector. Peers are at the heart of the peer challenge process and consist of councillors and senior officers from other District/Borough Councils who provide a 'practitioner perspective' and 'critical friend' challenge. The CPC was at no additional cost to the Council.
- 7.3 All CPC's look at five core areas for good performance – Local priorities and outcomes; Organisational and place leadership; Governance and culture; Financial planning and management; and Capacity for improvement. As part of considering Capacity for Improvement we specifically asked that peers look at our digital transformation programme, given its importance to the modernisation of the Council.
- 7.4 To prepare for the CPC the Council developed a background briefing document which set out our assessment of how the Council performs in certain key areas identified by the LGA. This has been published on the Council's website - [Corporate Peer Challenge | North Herts Council](#)
- 7.5 The final feedback report is also published on the above page of the Council's website. The approach taken in the CPC is set out in section 4.3 of the feedback report and is therefore not repeated here.

## **8. RELEVANT CONSIDERATIONS**

- 8.1 The CPC feedback report covered a range of areas and identified both the Council's strengths and also areas where it could improve or change approach. In general terms the report was very positive and a fair assessment of the organisation. The action plan was developed to respond to the ten recommendations and followed a similar structure to the Action Plan adopted in 2020. As some of the recommendations contained a number of points, this is reflected in the Action column. It is acknowledged that some of the Actions are more narrative in tone, however work progresses we would expect more specific details to be captured in the Update column.
- 8.2 It should be noted that the CPC took place prior to the publication of the Government's Devolution White Paper on 16 December 2024, which set the wheels in motion for Local Government Reorganisation in Hertfordshire by (potentially) 1 April 2028. The updates to the Action Plan therefore reflect the changed circumstances in which we find ourselves – for example recommendation three regarding the Place Narrative will not now be actively pursued and recommendations six and seven relating to staff now need to be viewed against a different time horizon.
- 8.3 In general good progress has been made against all of the recommendations (except number three, for the reasons explained above), with a number of completed actions. Cabinet and Leadership Team will continue to take these actions forward, to improve the running of the organisation.
- 8.4 As part of the CPC process a progress review takes place, the report from which normally needs to be published within 12 months of the original CPC (ie no later than 7th November 2025). However given the focus that will be on the final LGR submission to Government during this period it has been agreed with the LGA that the progress review will take place on 15 December 2025. This will take the form of a one day visit, meeting with people across the organisation and also provides space for the council's senior leadership to update the peer team on its progress against the action plan. Whilst the final programme is yet to be agreed, there is also likely to be discussion on LGR and devolution, in addition to revisiting the five core areas.

## **9. LEGAL IMPLICATIONS**

- 9.1 Cabinet's terms of reference include at paragraph 5.7.13 "To consider the reports of external review bodies on key aspects of overall service delivery".
- 9.2 The CPC is a voluntary process and therefore there is no legal obligation to either host a CPC or act upon the recommendations. However, it is best practice to undertake a CPC every five years and having done so, to act upon the issues identified. By doing so, this process is recognised by the LGA as a way to assist councils in meeting their Best Value Duty. The Best Value Duty is a statutory requirement contained within Part 1 of the Local Government Act 1999 for local authorities to "*make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.*"
- 9.3 The CPC report includes suggestions that relate to the Council's Constitution. These are matters for Full Council to determine in accordance with paragraph 4.4.1(p) of the Council's constitution and would be the subject of a separate report to Council.

## **10. FINANCIAL IMPLICATIONS**

- 10.1 The Action Plan needs to take into account the cost of any proposals and how these will be funded. This is particularly relevant to recommendations 2 and 10, which relate to creating capacity to deliver projects but also challenging what is realistically achievable.
- 10.2 Recommendation 1 refers to the need to get to an in-year balanced budget. This will be supported by decisions on future priorities for service delivery. The Medium Term Financial Strategy sets out that this will be supported by resident consultation.

## **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 CPC process helps to reduce risk by providing a different perspective on the Council. All the five themes of the CPC process can support specific and strategic risk management.
- 11.3. The CPC report identified areas where we can utilise our performance management framework more effectively, which could help with risk mitigation.

## **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 CPC report references behaviours which may have particular negative impacts on those with a protected characteristic. The action plan covers how this can be addressed. The CPC report also references the role of our Inclusion Group.

## **13. SOCIAL VALUE IMPLICATIONS**

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

## **14. ENVIRONMENTAL IMPLICATIONS**

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

## **15. HUMAN RESOURCE IMPLICATIONS**

- 15.1 There are some potential staffing resource implications of some of the recommendations in the CPC feedback report, particularly organisational development and ways of working. There will also be HR implications to increase capacity, e.g. in relation to project management. These implications have been considered in the development of the action plan.

## **16. APPENDICES**

- 16.1 Appendix A – Updated Corporate Peer Challenge Feedback Report Action Plan

## **17. CONTACT OFFICERS**

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## **18. BACKGROUND PAPERS**

- 18.1 NHDC Peer Review Position Statement.
- 18.2 LGA Corporate Peer Challenge Feedback Report

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**North Herts Council Corporate Peer Challenge – November 2024**  
**Action Plan adopted by Cabinet 18 March 2025**

Number	Recommendation	Action	Led By	Timescale	Update (early September 2025)
No 1	Develop the golden thread	We will use the Council Delivery Plan to continue to reflect the major projects that will support the delivery of our Council Plan. We will review our corporate KPIs (supported by an Internal Audit) to assess how they can be improved to reflect our priorities and also provide challenging targets that help to drive improvement	Exec Member & Director – Resources	Report to 24 <sup>th</sup> June Cabinet/ 17 <sup>th</sup> June O&S as part of the annual update of the Council Delivery Plan.	Report to PLB (July and August) on areas of Council Plan that could link to KPIs. Agreed that would look to add measures that link to Council Plan outcomes for the Q2 report (January)
		Alongside the Council Delivery Plan, we will continue to use internal Service Plans to reflect the other key tasks in each Directorate. These will have a focus on supporting the Council Plan, but will also incorporate other statutory requirements. Where appropriate, we will use Service KPIs to support Service Managers and Directors to assess performance.	Executive Members and Directors	From start of new civic year	Service plans have been adopted using these principles
		Leadership Team will review all the projects on the Council Delivery Plan and Service Plans on a quarterly basis. This will help manage the delivery of projects and also ensure that they continue to align with the Council Plan and priorities. Executive Members will also be kept informed of progress against Service Plans. Cabinet (through quarterly updates on the Council Delivery Plan) will have regular opportunities to determine any projects that should be included at that level, as well as assess delivery of existing projects, KPIs and risks.	Executive Members and Directors	From start of new civic year	To be circulated to Leadership Team when prepared for Risk and Performance Management Group. Took place for the Q1 report in August.  Service Plans to capture projects that are not on the Council Delivery Plan.
		We will carry out a budget consultation exercise during summer 2025 to help		Summer 2025	Budget consultation took place throughout June and July.

		inform our budget setting process for 2026/27 onwards. We will use this alongside the 3-year settlement for 2026-29 to assess our funding priorities. This will inform the areas where we will make savings to achieve a balanced budget.	Exec Member & Director – Resources	April 2025	Feedback has been captured and is being analysed.
		The Digital Transformation oversight group will review what software and processes should be a transformation priority to maximise the organisational benefits. These could be direct financial benefits or through reducing effort that frees up Officer time.	Director – Customers		The review is now considering the impact of Local Government Reorganisation and whether we need to speed up, slow down, or stop different elements of the programme (see rec 9).
		We have carried out a review of the capital programme to assess the likely timing of delivery and any projects no longer needed. The budget setting process for 2025/26 has also provided an opportunity to assess new and existing proposals. We will add new capital projects (e.g. Churchgate) when we have a defined plan and a reliable estimate of timing and costs.	Exec Member & Director – Resources		Council report July 2025 flags the capital implications of the Churchgate project, although it is still too early to attach figures to the project.
		As staff regular performance reviews are carried out, the priorities within them will be linked to the priorities in the Council Plan, Council Delivery Plan and Service Plans.	All managers		Leadership Team will monitor completion of RPRs, as part of regular HR update
No 2	Prioritise	We will use the Council Delivery Plan to track progress against our key corporate projects. As well as the formal discussion of this at Cabinet, we will also start to discuss it on a regular basis at Political Liaison Board. We will agree which are the most important priorities for North Hertfordshire. This will allow earlier discussion of how the projects are helping to deliver our priorities and any blockages	PLB	Ongoing	Initial prioritisation discussion at June PLB, followed by Executive Members and Directors reviewing priorities for their areas and feeding back to the Leader, Deputy Leader and Chief Executive. Prioritisation considerations also need to include the resource requirements needed to support the LGR

		to delivery. Where blockages are caused by staffing resources we can assess where there may be opportunities to prioritise projects, based on the staff required (as usually requires specialist knowledge and skills) and relative importance of projects.			programme. This will be further considered during the upcoming budget cycle.
No 3	Place Narrative	<p>Subject to securing suitable funding, we will seek additional capacity to identify the opportunities available to promote our North Herts Place Narrative across the district.</p> <p>The most effective opportunities will then be included in a Marketing &amp; Communications plan that the consultancy will be responsible for creating, executing, and measuring, with support from the North Herts Council communications and Economic Development teams.</p>	Exec Members & Director - Customers, Director – Enterprise	Summer 2025	Due to the prospect of local government reorganisation in the near future, it has been agreed not to actively pursue this work at the current time. We will continue to use the North Herts Place Narrative assets but will not commit resource to actively promoting it.
No 4	Partnerships	<p>We will continue to look for opportunities with partners, wherever interests can be aligned.</p> <p>We will continue to work closely with Herts Growth Board, HCCSP and others, taking leading roles where appropriate.</p>	<p>Cabinet and Leadership Team</p> <p>Cabinet and Leadership Team</p> <p>Director Regulatory</p>	<p>Ongoing</p> <p>Ongoing</p> <p>From 1 April 2025</p>	<p>We are discussing with neighbouring councils potential opportunities through LGR eg housing, planning.</p> <p>CEx is on the LGR programme board, overseeing whole programme. CEx and Director Customers are strategic leads for two of the workstreams, with all other Directors (and some senior managers) also involved in working groups. The Leader is taking an active role at Herts Leaders Group and is the new Chair of the Hertfordshire Infrastructure and Planning Partnership.</p>

		The new leadership team structure includes a strategic health lead, which seeks to work more closely with the NHS through the work of the ICB.			We continue to try to engage with health to explore opportunities for greater co-operation, however the ICB is currently focussed on their own restructure.
No 5	Leadership	A leadership team restructure has been agreed and will be in place from 1 April 2025. There will also be further changes in the leadership team during the course of 2025, with two retirements. We will put in place a learning and development programme to integrate new members to the Leadership Team, build relationships and explore ways to re-energise the organisation, with visible officer leadership and more strategic impact.	Chief Executive and Directors	From 1 April 2025	The new structure has been implemented and two new directors appointed. The Cabinet portfolios have been aligned to the director responsibilities, to streamline and simplify arrangements. The learning and development programme for LT is being designed, to take place in the autumn.
		We will look to create opportunities for more in-person communications, for example an annual staff conference, attending different team meetings and visiting front line service areas.	Leadership Team	From 1 April 2025	The staff conference has been arranged, with three sessions taking place during September.
No 6	Organisational Development	We will create a new HR strategy that reflects our priorities and how we develop existing staff and recruit new staff to deliver them. As we know that there will be some changes in the Leadership Team over the summer, we will do the majority of this work over the Autumn to ensure that it can capture the views of the new Directors.  We will be clear on the importance of learning and development, even when there is a need to reduce our spend. We will use our new Learning Management System to help with accessing training.	Exec Member & Director - Resources	Autumn 2025  In place and ongoing	Still planned for Autumn, but now also considering impact of LGR. Shortens the timeframe for the strategy and therefore may be a different focus.  Consider as part of HR strategy

		<p>We will review how we carry out our Regular Performance Reviews (appraisal) to make it simple, effective and aligned to the golden thread.</p> <p>We will use workforce data to inform how we address succession planning, recruitment and retention, with appropriate plans in place.</p>			<p>We will consider benefit of change as part of HR Strategy</p> <p>To include in HR Strategy work</p>
No 7	Ways of Working	<p>We will relaunch our values with Officers and Councillors. This includes listening to and considering the views of each other, and work together and support each other to be the best organisation we can be.</p> <p>Executive members will present committee reports at meetings</p> <p>We will look at light touch staff surveys to check in with staff, which can also be used to reinforce expectations of behaviour.</p> <p>We will review our approach to whistleblowing training, in order to raise awareness across the organisation.</p> <p>We will consider adoption of any new model Code of conduct for Councillors</p>	<p>Member training champions and Leadership Team</p> <p>Cabinet</p> <p>Director - Resources</p> <p>Director - Governance</p> <p>Standards committee/ Director - Governance</p>	<p>Summer 2025</p> <p>Ongoing</p> <p>Summer 2025 and ongoing</p> <p>Start of new civic year</p> <p>When available</p>	<p>Considering ways to make our values more memorable as part of the HR strategy.</p> <p>This is the practice adopted</p> <p>We included wellbeing questions as part of a recent survey (during August) on LGR.</p> <p>Whistleblowing training has been delivered to Directors and representatives from each directorate.</p> <p>New code awaited</p>
No 8	Performance Management	<p>We have updated the Council Delivery Plan to be clearer on any indicators that do not meet the green performance threshold. The report highlights the actions that will be taken to seek to improve performance, and</p>	<p>Exec Member &amp; Director – Resources</p>	<p>Completed</p>	

		<p>we will continue to work on the explanations that Cabinet and O&amp;S need.</p> <p>Internal Audit will benchmark our performance indicators to see how the measures and the target values compare to others. We will use that audit report to reflect on how we use the indicators to drive improvement</p> <p>We will also have an annual review of indicators that consistently achieve a green rating to assess how realistic it would be to set a more stretching target, and the benefits to residents that it would provide.</p>		<p>Report to 24<sup>th</sup> June Cabinet/ 17<sup>th</sup> June O&amp;S as part of the annual update of the Council Delivery Plan.</p> <p>Ongoing</p>	<p>To consider KPIs that link to the Council Plan as part of Q2 report (January).</p> <p>Cabinet reviewed the KPI targets in the June report.</p>
<p>No 9</p> <p>Page 254</p>	Modernisation	<p>The digital transformation initiative is a key component of our corporate plan, guided by an Oversight group that provides strategic direction and prioritisation. This programme encompasses the upskilling of staff across the Council and the provision of appropriate tools to support their roles. Several workstreams are currently underway, including a partnership with an apprenticeship provider to develop skills in business transformation, AI, and data insights.</p> <p>A significant aspect of the digital programme involves the review and redesign of Council processes to enhance efficiency. We have recently recruited a dedicated Digital Business Analyst (BA) for this purpose, and through this work, we anticipate the transfer and upskilling of BA skills. Ongoing engagement with staff and Councillors is planned, alongside the development of our rolling communications plan.</p>	Exec Member & Director - Customers	<p>Ongoing</p> <p>Ongoing</p>	<p>The programme is ongoing and has helped support the launch of the new waste contract. The programme is being reviewed and reprioritised in light of LGR, however appropriate transformation work continues. We have recently piloted an internal app using a Microsoft workspace. This gives additional capability and aligns with the digital strategy.</p> <p>Currently considering the next potential cohort to undertake courses with the apprenticeship provider, this is likely to be in early 2026 once the current cohort have completed and can share the benefits / successes of the programme.</p>

		<p>Additionally, a controlled pilot of using AI (Microsoft Copilot) is underway to identify use cases and assess the potential efficiency impact across various areas within the Council.</p>		Ongoing	<p>This work is ongoing but had slowed down as the lead on this changed role.</p> <p>There will be a renewed focus from October 25 which will include exploring how Copilot can be used across the organisation alongside other tools such as Robotic Process Automation, or a digital solution built in Netcall or on MS Workspace</p>
<p>No 10</p> <p>Page 255</p>	Project Management	<p>See response to recommendation 2, which covers resourcing of ongoing projects. For larger capital projects we will move towards incorporating project management into the capital cost, to reflect the required capacity and ensuring the total cost is considered as part of the overall project appraisal.</p> <p>We have a process for collecting lessons learnt from projects. By improving the project reporting to Leadership Team (included in the response to recommendation 1) we will have better understanding on when smaller projects have completed, so can work with those project managers to ensure that we collate lessons learnt. Having more lessons learnt, which may also be more relevant to a wider audience, will allow us to produce regular updates to share across the Council.</p>	Exec Member & Director - Resources	<p>Ongoing</p> <p>Ongoing</p>	<p>Churchgate report to July Council sought budget for the appointment of an experienced project manager, to help support the delivery of the project. This was approved.</p> <p>Reports will come to LT when completed, or on an exception basis as required.</p>

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<b>CABINET</b>
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<b>23 SEPTEMBER 2025</b>
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<b>PART 1 – PUBLIC DOCUMENT</b>
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## **TITLE OF REPORT: POSITION STATEMENT IN RELATION TO FLOODING**

REPORT OF: Director- Resources and Director - Environment

EXECUTIVE MEMBER: Resources and Environment

COUNCIL PRIORITY: SUSTAINABILITY

### **1. EXECUTIVE SUMMARY**

The Council is a Category 1 responder under the Civil Contingencies Act 2004. Amongst other requirements this means that the Council (with other responders) is required to have plans for emergencies, respond to an emergency when it happens and support the recovery from an emergency. Whilst this places obligations on the Council, there are still options available in relation to the level of support that is provided when emergencies occur. This report considers the options in relation to flooding.

### **2. RECOMMENDATIONS**

#### **That Cabinet:**

- 2.1. Approve that the Council does **not** provide flood defence items or funding to residents to protect or reinstate their property against or following flooding.
- 2.2. To note that the Council would provide support to residents which would include providing information and guidance (including online, in-person and by phone). This would include support for anyone who is made homeless.

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

- 3.1. The report sets out various practical and financial reasons for not providing residents with flood defence items or funding to residents to protect or reinstate their property against or following flooding.
- 3.2. The Council will fulfil its role as a Category 1 responder, as set out in the Civil Contingencies Act 2004, and provide support to communities affected by flooding.

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

- 4.1. The Council could choose to provide flood defence items and support with recovery/reinstatement. If it did decide to do this then the following would need to be considered:
- What would be provided? E.g. sandbags or an alternative.
  - When would it be provided? There would be a balance between deploying too early and it turning out that it was not needed, versus providing too late so that the impact of the flooding had already happened?
  - How would they be provided? E.g. for sandbags would empty bags and sand be provided with the expectation that residents fill them. How would those less physically able be correctly identified and supported? HCC may be able to support with identifying those that are vulnerable but that may add a delay that would make the response less effective.
  - Where would the items be stored, or would they just be purchased when needed? The risk being that it might not be possible to obtain in a timely manner, especially out of working hours.
  - What would the criteria be for supporting residents with the clear-up of their property? E.g. making sure that adequate insurance cover is the default measure.

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

- 5.1. A report went to the internal informal Political Liaison Board of the Executive and the Leadership team, in January 2025 and July 2025, and it was supported for consideration by Cabinet. At the earlier meeting it was requested that Appendix A was added to provide detail of the support that we would provide in the event of flooding.

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

- 6.1 This report contains a recommendation on a key Executive decision that was first notified to the public in the Forward Plan on the 20 June 2025.

#### **7. BACKGROUND**

- 7.1. At the end of September there was flooding in the Woolgrove Road area of Hitchin. This was caused by very intense levels of rainfall causing the River Purwell to burst its banks and flooding 45 homes.
- 7.2. As there was no agreed position in place, a decision was taken by Herts County Council (HCC) and North Herts Council to deploy sandbags (specifically sand and empty bags to be filled on site) as a barrier to help prevent damage to further properties. These were put in place by the Fire Service (part of HCC) and Ringway (HCC contractor). They were mainly funded by Herts County Council. North Herts Council provided a small number of sandbags (via our Grounds Maintenance contractor) and used our waste contractor to support the clear-up of the used sandbags. The sandbags were also made available to residents to protect their own properties. There was no specific evidence that the sandbags were effective. The primary response by the Fire Service was to try and pump the water away.

- 7.3. There is a separate detailed ongoing joint (with HCC) plan in place for the village of Kimpton, which is susceptible to groundwater flooding. The current plan (subject to update by HCC) would see the deployment of sandbags (or similar) by HCC Highways department to create a channel for the water to flow through the village to help protect the highway and minimise the damage caused. The channel could be in place for several weeks. Kimpton residents will be expected (under both the current plan and any updated plan) to have put in place measures to help protect their individual properties and sandbags (or similar) for individual properties will not be provided.
- 7.4 The chance of flooding (across the whole District and beyond) is getting higher as we are impacted by more extreme weather events, e.g. spells of exceptionally heavy rainfall.

## **8. RELEVANT CONSIDERATIONS**

- 8.1 North Herts Council is a Category 1 responder under the Civil Contingencies Act 2004. Amongst other requirements this means that the Council (with other responders) is required to have plans for emergencies, respond to an emergency when it happens and support the recovery from an emergency. Whilst this places obligations on the Council, there are still options available in relation to the level of support that is provided when emergencies occur. This report considers the options in relation to flooding.
- 8.2 The primary response to a flooding incident would usually come from the Fire Service. They are able to help with moving people to areas of safety. They can access pumps to help with moving water, although the movement of any water needs to be done safely so it does not cause problems in other locations. The fire service would deploy sandbags (or similar) to protect a strategically important asset (e.g. an electricity sub-station) but there would not be a default response to provide sandbags beyond that.
- 8.3 North Herts Council would usually lead on providing and staffing a reception/ rest centre where residents can go if they are displaced from their homes. Depending on the time of day and demand this could be a community hall or a leisure centre. Whilst residents may make use of this for a short period, they would often choose to find their own more comfortable accommodation (e.g. with friends or family, in a hotel). Home insurance will often include alternative accommodation cover. For longer term homelessness (not covered by insurance cover) then requests will be considered in accordance with our homelessness policies. We also support with communications and supporting those affected. E.g. during the Hitchin flooding we provided details of support available and how to stay safe, kept in contact with residents on their situation and escalated concerns with Anglian Water. More details of this positive action is detailed in Appendix A.
- 8.4 Whilst Herts County Council (as a Category 1 responder and Lead Flood Authority) could choose to provide sandbags (or similar) for residents to protect their homes it would generally be a joint decision. If North Herts Council has a confirmed position statement that we would not provide sandbags (as per the decision in this report) , then the County Council would support that. The Fire Service (part of HCC) act as an emergency responder.
- 8.5 The reason for supplying sandbags to residents would be that it may help them to protect their property in the event of a flood, although this is not guaranteed. It is also a visible response.

8.4 Reasons for **not** proving sandbags to residents (these generally apply irrespective of whether the Council was looking at small or large scale provision):

1. The Environment Agency do not recommend the use of sandbags.
2. The responsibility for protection of property is with the owner of the property. Herts County Council provide advice on how owners can protect their property using bespoke interventions that are best suited to their property. This is more likely to be followed in areas where there has been a history of flooding. HCC have also provided some equipment to protect property in some flood prone areas, but this is not a universal offer.
3. It is possible that if the Council is involved in actively deploying sandbags and they are either ineffective or cause more flooding elsewhere, then the Council could be liable for any claims.
4. The cost of the sandbag and sand would be an unfunded cost to the picked up by all North Herts taxpayers.
5. The Council does not have anywhere that it could store sandbags. This would mean that it would be reliant on timely delivery in the case of an incident. Flooding is likely to happen in North Herts at the same time as flooding in a number of other areas.
6. The Council does not have its own means of transporting sandbags to where they are needed. So would be reliant on contractors (availability and cost).
7. Sandbags have to be used correctly to be effective, and even then are not completely effective.
8. Filled sandbags are heavy and would need to consider how less physically able residents could be supported with moving them.
9. Most Local Councils do not provide sandbags (see paragraph 8.6 below)
10. Once used, sandbags should be treated as contaminated and then they need to be disposed of as residual waste, which has negative environmental implications.

8.5 There are alternatives to sandbags (e.g. specialist plastic sacks that can be filled with water, gel-filled sacks that absorb water). These are more practical in terms of storage, transportation and use. For example, Fire and Rescue may agree to store and deploy them on our behalf. However, several of the reasons above (1, 2, 3, 4, 7, 8, 9, 10) still either partly or fully apply. There would also be the additional issue of determining what type of sacks would be required in advance, when flooding could happen in different areas with different impacts.

8.6 We have reviewed the published position of other Hertfordshire and our neighbouring Councils in relation to sandbags. These can be summarised as:

Broxbourne / St Albans / Watford	No specific information found
Dacorum/ East Herts / Stevenage/ Three Rivers / Welwyn Hatfield/ Uttlesford/ Luton	Do not supply. Point residents towards buying their own.
Hertsmere	Will keep a stock of sandbags during periods when flooding is likely and provide if available.
Central Beds	Do not provide sandbags. Recommend alternatives to sandbags that residents can source themselves.

South Cambs	A small supply of sandbags which they will try and get to vulnerable residents if flooding is imminent.
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- 8.7 Following the flooding in Hitchin we had one request for support with the recovery from the flooding, specifically providing a skip for flood damaged items. We think this was from someone renting their property and may not have had insurance cover. As we want to encourage all residents to get appropriate insurance coverage, then the recommendation is that the Council does not provide any specific recovery financial support. The Council will still support recovery with general advice and support and consider any appropriate community recovery, as we did with the Hitchin flooding.

## **9. LEGAL IMPLICATIONS**

- 9.1. The Civil Contingencies Act states that Local Authorities are Category 1 responders and therefore must make arrangements to respond in emergencies. This report sets out the factors that the Council will consider when discharging this statutory responsibility.
- 9.2. Cabinet's Terms of Reference include (paragraph 5.7.1) "[t]o prepare and agree to implement policies and strategies other than those reserved to Council".

## **10. FINANCIAL IMPLICATIONS**

- 10.1. There is no set budget for the Council to respond to emergencies, and any costs incurred would therefore be an overspend. If the Council incurred costs in excess of around £25k (on the immediate response, not recovery) on incidents during a year then the excess could be claimed from Government via the Belwin scheme (<https://www.gov.uk/government/publications/bellwin-scheme-guidance-notes-for-claims/bellwin-scheme-of-emergency-financial-assistance-to-local-authorities-guidance-notes-for-claims>).

## **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 chance of flooding is getting higher as we are impacted by more extreme weather events, e.g. spells of exceptionally heavy rainfall. Except for Kimpton groundwater flooding, each event will have to be managed based on the circumstances at the time. Having defined policies helps Officers in managing that response. It is very important that policies are supported and followed as otherwise this causes uncertainty for Officers and residents.
- 11.3. The extent to which we (the Council and the District) adapt to climate change, also affects the impact of flooding (and other climate change) events,

## **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. Our approach helps ensure that everyone is treated equitably according to their needs within the services we can provide. Our reception centre service and communications will be adapted to the needs of our communities including but not limited to people with physical disabilities or without digital means to access support.

## **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. Flooding events are made more likely due to the effects of climate change. Providing (including transport) and disposal of sandbags (and to an extent other alternatives) has negative environmental implications. Where residents are taking their own flood prevention measures, then we would (subject to them being suitable) encourage them to choose more sustainable options.

## **15. HUMAN RESOURCE IMPLICATIONS**

- 15.1 Where flooding (or other emergency event) happens, then the Council response (including reception centres) is from those Officers that have volunteered to undertake certain emergency roles. During working hours it may also be possible to redeploy staff, but that would affect the delivery of other work. Overall, we have very limited capacity and very reliant on staff goodwill. We continually try and get more volunteers and have had success in increasing the numbers.

## **16. APPENDICES**

- 16.1 Appendix A- Examples of support provided during flooding incidents

## **17. CONTACT OFFICERS**

- 17.1 Ian Couper, Director – Resources, [ian.couper@north-herts.gov.uk](mailto:ian.couper@north-herts.gov.uk), ext: 4243
- 17.2 Sarah Kingsley, Director - Environment, [sarah.kingsley@north-herts.gov.uk](mailto:sarah.kingsley@north-herts.gov.uk), ext: 4552
- 17.3 Ellie Hollingsworth, Policy and Strategy Officer, [policy@north-herts.gov.uk](mailto:policy@north-herts.gov.uk), Ext: 4220
- 17.4 Natasha Jindal, Deputy Monitoring Officer, [natasha.jindal@north-herts.gov.uk](mailto:natasha.jindal@north-herts.gov.uk)

## **18. BACKGROUND PAPERS**

- 18.1 None

## WOOLGROVE ROAD, HITCHIN

**Dedicated ‘one-stop shop’ webpage** – updated with on-the-spot news & links to further advice/help



[Home](#) > [News](#) > Hitchin floods update

# Hitchin floods update

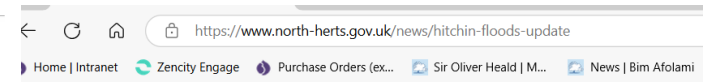
Date: 04 October 2024

### Recent updates

- [Friday 18 October](#)
- [Monday 7 October](#)
- [Friday 4 October](#)
- [Questions and answers](#)
- [Earlier updates](#)



Following the closure of Woolgrove Road in Hitchin and the evacuation of



### Travelling

Residents should take extra care, check for road closures and delays before travelling, don't walk or drive through floodwater and stay safe if you do need to travel and drive to the conditions.

### Medical

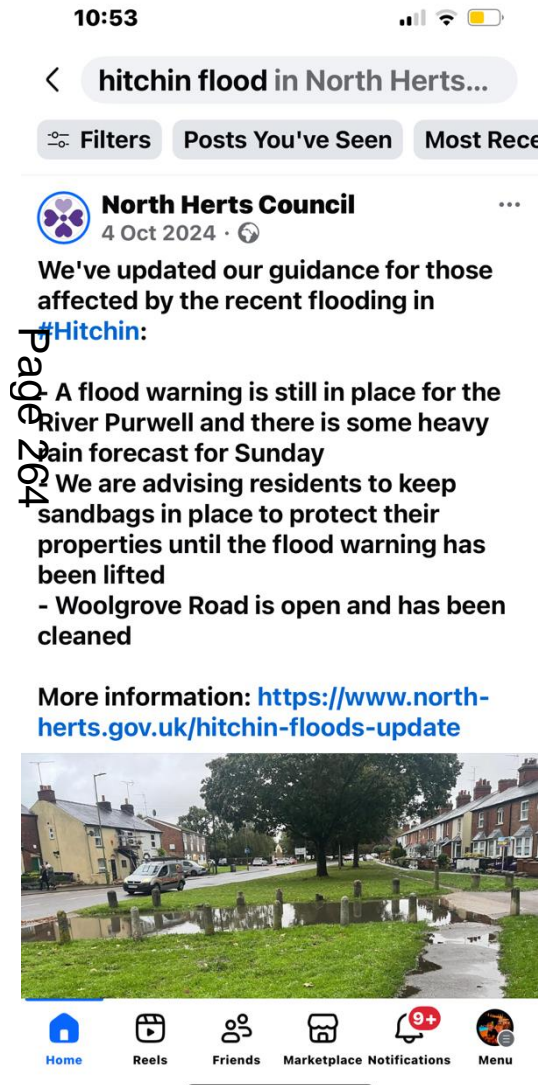
If your property is flooded and medication has been damaged please speak to your GP practice during opening hours, or call 111 out of hours. For anyone with a serious medical condition that are being made worse by flooding please phone 111, or 999 in an emergency.

### Useful links

- Help us by reporting a flood here: [Flooding and water | Hertfordshire County Council](#)
  - Find out more about flood risks and how to protect your property: [Flood risks and protecting your property](#)
  - Central government advice: [Flooding and health: advice for the public - GOV.UK](#)
  - Useful guidance on how to recover after a flood: [What should I do? – National Flood Forum](#)
- [Back to top ↑](#)

# WOOLGROVE ROAD, HITCHIN

Regular social media & E:News updates – pointing residents to the dedicated flood webpage



Reception  
centre opened  
to support  
affected  
residents

## E:News update

### Hitchin flooding update

We are continuing to support residents whose properties have been significantly impacted by the recent flooding in Hitchin.

A flood warning is still in place for the River Purwell and there is some heavy rain forecast for Sunday.

We are advising residents to keep sandbags in place to protect their properties until the flood warning has been lifted.

Visit our website for the latest information and guidance:

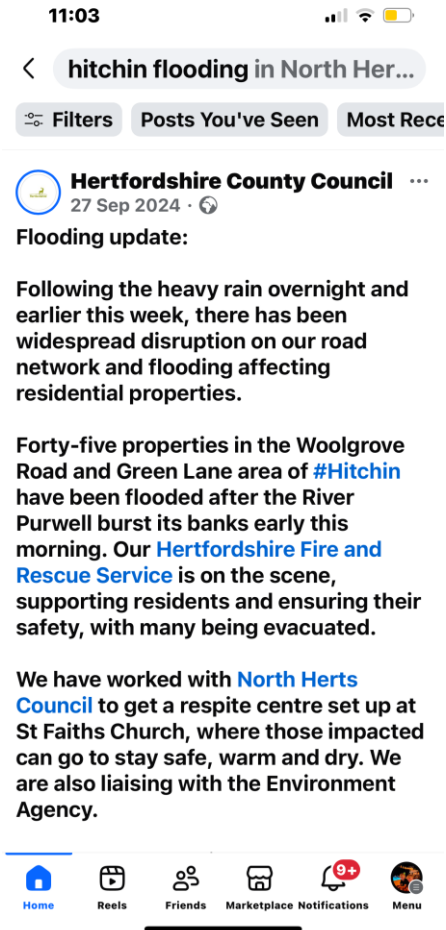
Floods update



WOOLGROVE ROAD, HITCHIN & KIMPTON VILLAGE

Social media sharing – into village Facebook pages and by partners and Councillors

Page 265



# SUITE OF GENERIC ALERT GRAPHICS

Created to highlight potential flooding



## SUITE OF SPECIFIC LOCATION ALERT GRAPHICS – to warn, inform and advise in case of flooding

These can be used for social (top) and also printed in flyer and poster form (bottom) for direction promotion in the location



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<b>CABINET</b> <b>23 SEPTEMBER 2025</b>
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<b>*PART 1 – PUBLIC DOCUMENT</b>
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**TITLE OF REPORT: COUNCIL DELIVERY PLAN 2025-26 (QUARTER 1 UPDATE)**

REPORT OF: DIRECTOR - RESOURCES

EXECUTIVE MEMBER: RESOURCES

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

**1. EXECUTIVE SUMMARY**

This report presents progress on delivering the Council Delivery Plan for 2025-26. This is a Quarter 1 update but generally reflects progress up to the point that this report was prepared (mid-August). The report includes:

- For the projects identified by Cabinet, it details milestones and progress against them.
- The risks in relation to the delivery of those projects, as well as the corporate risks that could impact the delivery of all our projects and services.
- Latest data for the Council's key performance indicators (KPIs).

Two projects have an amber delivery status (digital transformation and leisure centre decarbonisation). Four projects have a red risk status (leisure centre decarbonisation, decarbonisation phase 2, Churchgate and Local Plan review). All the over-arching corporate risks are at red status. There are 3 KPIs that have a red status (2 relating to Careline installations and the other relating to CSC calls answered in 45 seconds).

This report also sets out intentions in relation to developing KPIs that align better to the objectives within our Council Plan.

**2. RECOMMENDATIONS**

- 2.1 That Cabinet notes progress against Council projects and performance indicators, as set out in the Council Delivery Plan (Appendix A), and approves new milestones and changes to milestones.

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

- 3.1 The Council Delivery Plan (CDP) monitoring reports provide Overview and Scrutiny Committee, and Cabinet, with an opportunity to monitor progress against the key Council projects, and understand any new issues, risks, or opportunities.

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

- 4.1 In developing the CDP, it was agreed that Cabinet would receive quarterly updates. The updates are also provided to Overview and Scrutiny Committee (when requested) so that they can provide additional oversight and support to Cabinet.
- 4.2 In relation to adding new KPIs to better reflect delivery of the Council Plan, there would be an option to just retain the current KPIs and accept that they are primarily focused on delivery of core services.

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

- 5.1 Directors and Service Managers have provided updates on progress and will have made Executive Members aware of progress made.
- 5.2 A draft of the Quarter 1 update was provided to the Risk and Performance Management Group (RPMG) in August. The Group has a standing invite to the Executive Member for Resources (has responsibility for performance monitoring), the Chair of Overview and Scrutiny Committee (O&S) and the Chair of Finance, Audit and Risk Committee (FAR). Other members of O&S and FAR are also encouraged to attend when they can. RPMG were asked to comment on Q1 update. There were no specific issues raised by the Group.
- 5.3 The Overview and Scrutiny Committee are asked to provide comments on the current progress of the CDP, including recommendations to Cabinet.
- 5.4 In August, proposals in relation to adding new KPIs to better reflect the Council Plan were discussed at the internal informal Political Liaison Board of the Executive and the Leadership team. The conclusion was that it would be desirable to have additional KPIs that described the outcomes achieved by the Council Plan.

### **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 CDP brings together projects, risks, and performance indicators in one document. The projects and performance indicators have been rolled forward from 2024/25 into the current year. There has been one project added (decarbonisation phase 2).

## 8. RELEVANT CONSIDERATIONS

- 8.1 Appendix A provides an update on the progress made in delivering the Council Delivery Plan 2025-26. Whilst it is labelled as a Quarter 1 update, it generally reflects the latest position at the time the report was written (mid-August). Milestones are set as far ahead as possible but are not included where there is too much uncertainty over the scope or timing of the milestone.
- 8.2 Two projects have an amber status, with the remaining ten having a green status. The amber status for the Digital Transformation project reflects delays to two applications (grants database and burials). There have been two new milestones added to reflect additional work on trade waste that was outside the scope of the previous requirement and new work on a Safety Advisory Group platform. The amber status for the Leisure Centre Decarbonisation project reflects the need for Building Safety Act sign off at the end of the works. This change does not affect when the leisure centre facilities will be available or eligibility for grant funding for the project. As detailed in Appendix A, some of the other projects have proposals for changes to (yellow highlights) or new (blue highlights) project milestones.
- 8.3 Our performance indicators reflect the overall performance of the Council. Performance levels are rated as either green (achieving or exceeding the target), amber (not achieving the target level and need to look at actions to get back on track) or red (urgent action needed to get back to the target performance). For this report:
- 6 indicators are rated green.
  - 5 indicators are rated amber.
  - 3 indicators are rated red.
  - 9 indicators do not have a target.
- 8.4 For the performance indicators rated red, the following actions are being taken:
- **Careline installations:** Reduced engineer installation capacity during the quarter due to long-term sickness absence and unfilled vacancies has led to efforts of re-deployment and recruitment of additional resource to manage the situation. The service is currently recruiting two additional technicians, but it will take time to train them once they are in post.
  - **Customer calls answered within 45 seconds:** The Customer Service Centre has faced ongoing staff shortages due to annual leave, sickness absence and leavers. An action plan was put in place, with ongoing recruitment, fast track training, and allocation of temporary members of staff to manage enquiries in reception and on the Waste queue. The staffing in Q1 2025-26 has been consistent and temporary staff have been key in helping us through this busy period and have been retained whilst the new Waste contract is embedded to avoid further disruption where possible. We will continue working towards an improvement in service level in line with the action plan. From 18 June 2025 to the end of the month, the Customer Service team consistently answered over 95% of calls that were offered. Although the percentage of calls answered with 45 seconds is currently below

the target level, a high percentage of calls were answered across the first quarter.

- 8.5 There are 12 risk entries linked to specific projects and four over-arching corporate risks. For this report:

- 3 risks are assessed low risk (green).
- 5 risks are assessed medium risk (amber).
- 8 risks are assessed high risk (red).

- 8.6 As referenced in the 2024-25-year-end CDP report, the Council's Corporate Peer Challenge report included recommendations around better linking KPIs to the Council Plan. An Internal Audit report then provided some benchmarking as to how this could be achieved. A summary was then considered by the informal Political Liaison Board in August, and it was recommended that KPIs are developed that reflect the outcomes achieved by the Council Plan. These will be developed with the Quarter 2 CDP update.

- 8.7 The CDP is intended to be a live document. Councillors and Officers can access Ideagen for the latest position. New projects can be added to the Plan if they are a strategic priority and resources are available to deliver them. Projects will be removed when they are completed, or if they are no longer a priority. Cabinet (following prior review by Overview and Scrutiny Committee) will be asked to approve any changes to milestones. A project plan is being developed for the museum storage project, and it is intended that this will also be added to the CDP.

- 8.8 Overview and Scrutiny Committee can ask for more detail on any of the CDP projects. This can either be provided as a written update or can be included as part of the next quarterly update, to support discussion in the meeting.

- 8.9 Access to Ideagen

All the detail behind the projects, risks and performance indicators is available to view in Ideagen, the Council's performance and risk system. A guest login is provided on the intranet for any Member to use, along with a procedure note and short video on how to view the data.

## **9. LEGAL IMPLICATIONS**

- 9.1 The constitution determines the role of Cabinet as including: "To take decisions on resources and priorities, together with other stakeholders and partners in the local community, to deliver and implement the budget and policies decided by the Full Council. To monitor performance and risk in respect of the delivery of those policies and priorities" (paragraph 5.7.3).

- 9.2 The constitution determines the role of Overview and Scrutiny Committee as including: "To review performance against the Council's agreed objectives/ priorities and scrutinise the performance of the Council in relation to its policy objectives, performance targets and/ or service area. To consider risks to the achievement of those objectives/ priorities. To make recommendations to Cabinet" (paragraph 6.2.7 (s)).

9.3 There are no specific legal implications arising from the CDP. However, there may be individual legal implications for some of the projects outlined. Any commissioning of work on new and existing projects will follow the standard legal requirements and those required by the Council's internal standing orders, contained within the Constitution.

9.4 It is worth noting that a robust and measurable delivery plan is an important tool for the Council to fulfil the 'best value' requirement set out in Section 3 of the Local Government Act. The Act requires authorities, including the Council, to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness". Monitoring reports to members and actions arising from those reports will ensure discharge of this statutory responsibility.

## **10. FINANCIAL IMPLICATIONS**

10.1 There are no direct financial implications arising from this report. Where projects are linked to efficiencies or investments then these are included in the budget proposals and monitored through the quarterly finance reports.

## **11. RISK IMPLICATIONS**

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

11.2 The CDP aims to support the risk management process by directly linking the risks to projects being undertaken. The aim of these proposals is to strengthen the link between performance and risk and make risks more current. This should provide an improved perspective of the risks that the Council faces.

## **12. EQUALITIES IMPLICATIONS**

12.1 In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.

12.2 There are no direct equalities implications arising from this report.

## **13. SOCIAL VALUE IMPLICATIONS**

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

**14. HUMAN RESOURCE IMPLICATIONS**

- 14.1 There will continue to be a need to align Council and Service objectives with available people resources to be able to achieve them. The CDP will help to make that link clearer.

**15. ENVIRONMENTAL IMPLICATIONS**

- 15.1 There are no known Environmental impacts or requirements that apply to this report. However, a number of the projects to be monitored throughout the year are related to key environmental issues.

**16. APPENDICES**

- 16.1 Appendix A – Council Delivery Plan 25-26 Q1 Monitoring Report

**17. CONTACT OFFICERS**

- 17.1 Ian Couper, Service Director: Resources  
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**18. BACKGROUND PAPERS**

- 18.1 None

**Supplementary notes on the Council Delivery Plan 25-26 Q1 Monitoring Report for Cabinet**

Q1 2025/26 data is still required for one KPI (in italics in the KPIs table):

- Number of collections missed per 100,000 collections of domestic household waste.

















Q1 2025/26 data for 'Percentage of household waste sent for reuse, recycling and composting' is currently only provisional. Awaiting confirmation of final tonnages for all relevant waste streams.

Previously reported milestone due dates have been removed for the 'Local Plan Review' item, and the 'Latest Update' explains why.

Milestones with proposed changes to target dates are highlighted in yellow.

New milestones are highlighted in blue.

## Council Delivery Plan – Status Key

Status	Description
<b>Projects</b>	
	The project (and all recorded milestones) has been completed.
	All ongoing milestones have not reached their due dates (or do not have due dates).
	There is at least one ongoing milestone that has not been completed by the due date, but the overall project due date has not passed. Proposals to change milestone due dates will be made, which may also lead to a proposed change to the overall project due date.
	Overall project due date has passed and there is at least one milestone that has not been completed. Proposals to change project due date and milestone due dates will be made.
<b>Risks</b>	
	Assessed as a low risk.
	Assessed as a medium risk.
	Assessed as a high risk.
<b>KPIs</b>	
	Data value has met or exceeded the target figure. Performance is at an acceptable level.
	Data value has not achieved the target figure. Need to consider appropriate action to return performance to an acceptable level.
	Data value has not achieved the target figure. Urgent action required to return performance to an acceptable level.
	Data value is reported for 'information only' and there is no requirement to set targets for the KPI.
	Ideagen cannot calculate a status, as officers have not entered a target figure for the period.
	Data value has improved compared with the same time last year.
	Data value has deteriorated compared with the same time last year.
	Data value has not changed compared with the same time last year.
	Ideagen cannot calculate a direction of travel, as previous data is not available for comparison.

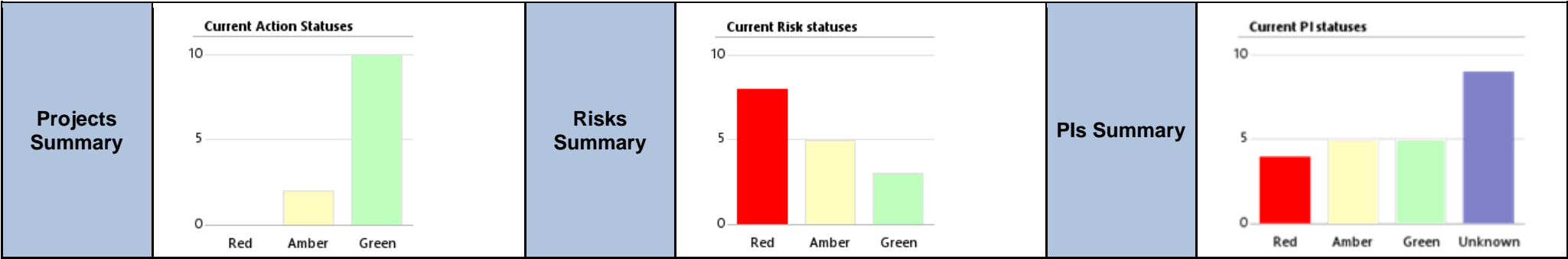
4	7	9
2	5	8
1	3	6

## Council Delivery Plan 25-26 Q1 Monitoring Report - Project Statuses































Project	Status	Risk Level
Digital Transformation		
Leisure Centre Decarbonisation		
Churchgate		
Decarbonisation of Council Buildings - Phase 2		
Engaging the community on our finances and how we spend our money, via the 'Prioritising our Pounds' Digital Budget Hub		
King George V Skate Park		
Local Plan Review		
Oughtonhead Common Weir		
Pay on Exit Parking		
Resident/Public EV Charging in our Car Parks		
Town Centres Strategy		
Waste and Street Cleansing Contract		



















Council Delivery Plan 25-26 Q1 Monitoring Report - Status Summaries





Key Performance Indicators (KPIs)


	Latest Update	Current Value	Current Target	Status	Trend (Compared with the same time last year)	2025/26
						Target
Percentage of council tax collected in year	July 2025	36.87% (year to date)	37%		 (37.38%)	97%
Percentage of NNDR collected in year	July 2025	36.94% (year to date)	37%		 (39.47%)	96%
Council's Scope 1-3 emissions (tonnes CO2e)	2023/24	3,197.13	N/A Data Only		 (3,168.30)	N/A Data Only
Number of Stage 1 complaints	Q1 2025/26	44 (year to date)	N/A Data Only		 (53)	N/A Data Only

KPI	Latest Update	Current Value	Current Target	Status	Trend (Compared with the same time last year)	2025/26
						Target
Percentage of Stage 1 complaints resolved within 10 working days	Q1 2025/26	84% (year to date)	80%		 (100%)	80%
Percentage of Stage 2 complaints resolved within 20 working days	Q1 2025/26	100% (year to date)	70%		 (78%)	70%
Total number of alarm calls in a given period	June 2025	91,062 (year to date)	N/A Data Only		 (95,595)	N/A Data Only
Rolling number of Careline service users supported under the HCC contract	July 2025	7,141	N/A Data Only		 (7,027)	N/A Data Only
Percentage of Careline installations completed within 5 working days	June 2025	74.6% (year to date)	90%		 (New KPI from January 2025)	90%
Percentage of Careline installations completed within 10 working days	June 2025	97% (year to date)	100%		 (New KPI from January 2025)	100%
Percentage of CSC calls answered	Q1 2025/26	81% (year to date)	90%		 (96%)	90%
Percentage of CSC calls answered within 45 seconds	Q1 2025/26	47% (year to date)	80%		 (75%)	80%
Sign-ups to the Digital Budget Hub	Q1 2025/26	458	N/A Data Only		 (223)	N/A Data Only
Average number of penalty points awarded per Grounds Maintenance contract monitoring inspection. (Lower numbers are good.)	June 2025	1.97 (year to date)	N/A Data Only		 (5.44)	N/A Data Only


KPI	Latest Update	Current Value	Current Target	Status	Trend (Compared with the same time last year)	2025/26
						Target
Working days lost due to short-term sickness absence in the last 12 months per FTE employee	June 2025	4.26	4.00		 (4.46)	4.00
Working days lost due to long-term sickness absence in the last 12 months per FTE employee	June 2025	3.82	N/A Data Only		 (4.43)	N/A Data Only
Staff turnover - rolling 12-month percentage	June 2025	8.78%	15%		 (7.2%)	15%
Percentage of advertised vacancies filled in first round	Q1 2025/26	85% (year to date)	75%		 (70%)	75%
Number of visits to leisure facilities	June 2025	462,992 (year to date)	N/A Data Only		 (399,264)	N/A Data Only
Percentage of all planning applications determined within the relevant statutory or agreed time periods	Q1 2025/26	84.65% (year to date)	80%		 (84.37%)	80%
Percentage of household waste sent for reuse, recycling and composting	Q1 2025/26	59.44% (year to date)	60.5%		 (60.69%)	59%
Number of collections missed per 100,000 collections of domestic household waste	March 2025	47 (year to date)	N/A Data Only		 (60)	N/A Data Only
Performance against revenue budget (projection against original budget)	Q1 2025/26	2.4%	0%		 (-3.3%)	0%


	Digital Transformation				
Council Plan Objective	Accessible Services (2024-28)	Due Date	31-Dec-2025	Original Date	31-Mar-2025
Project Summary	Invest in and develop a low code digital platform that can be used to transform our services and applications. Programme to span a number of years, with the Council Delivery Plan project focussing on key activities planned for the short-term.				
Latest Update	07-Aug-2025 Delivery of the grants database was slightly delayed (to August 2025), and the Community Partnership Team now plan to undertake a further period of testing with external partners, followed by Member briefings, before launching the database in mid-November 2025. Resources were diverted from the burials application project to complete delivery in a timely manner. There was also a slight delay fully integrating with Veolia systems and delivering waste services processes. These were completed on 7 August 2025, when we implemented weekly system updates, although there is the potential for some minor ongoing optimisations. However, this delay did not have any impact from a customer perspective, as high priority processes were available for the start of the contract and Customer Services have been able to offer alternative ways of providing outstanding processes until they were fully delivered. The waste updates also include trade waste processes, which were outside of the original project scope. We have developed and are currently testing a Safety Advisory Group (SAG) platform prior to wider testing by NHC teams and external partners. As previously highlighted, resources have been diverted away from the burials application project to focus on delivering the waste and grants database projects. The extended due date of the end of December 2025 for the delivery of the burials application has been agreed with the NHC Burials team. In general, key risks to the programme remain the availability of sufficient resources and unexpected limitations with the low code digital platform, although risks associated with the latter are reducing as projects are completed and our knowledge of the system increases. A key project specific risk relates to the amount of data needing to be imported to the burials application and our ability to do this within the constraints of the revised project schedule.				
Milestone		Due Date	Complete	Note	
Scope and investigate replacement of Burials system.		30-Jun-2024	Yes	Initial scoping for the replacement of the current in-house database completed. Decision made to provide a replacement system via the new digital platform.	
Integrate Netcall into Microsoft Azure for wider integration capabilities.		30-Sep-2024	Yes	The Azure tenancy is ready to go and can facilitate single sign on for customers to sign in via MyAccount or for staff to sign into any applications created.	
Commence development of waste services processes and preparations for integration with new contractors' software.		01-Oct-2024	Yes	Work commenced, with plans agreed with Veolia.	
Hitchin Town Hall booking system developed.		31-Oct-2024	Yes	The Hitchin Town Hall application has been completed and handed over.	
Development and delivery of a Grants database.		31-May-2025	No	Due date to change to 28 November 2025. Delivery of the database was slightly delayed (to August 2025), and the Community Partnership Team now plan to undertake a further period of testing with external partners, followed by Member briefings, before launching the database in mid-November 2025. Therefore, the revised due date reflects the 'go live' date rather than the date when the Digital Services team delivered the platform.	
Waste Services - integrations with contractors' software.		30-Jun-2025	Yes	Completed on 7 August 2025. There was a slight delay fully integrating with Veolia systems, caused by late access to Veolia's ECHO system/data (April 2025) and delays clarifying specific data requirements. This delay did not have any impact from a customer perspective.	


Waste Services - project delivery.	30-Jun-2025	Yes	High priority waste services processes were available for the start of the contract, with lower priority/frequency processes completed and delivered by 7 August 2025. Potentially, there is one additional form, Waste Issues, which may not go live until 14 August 2025. This form is to file a complaint to Veolia e.g., if property is damaged during collection, but there is currently an alternative way for Customer Services to do this so any delay will have no impact on the customer experience. Therefore, the milestone is complete, albeit with the potential for some minor ongoing optimisations.			
New milestone - Development and delivery of Trade Waste processes.	07-Aug-2025	Yes	<b>New milestone</b> - This work is outside of the scope of the original Waste Services project. The majority of Trade Waste processes went live on 7 August 2025 when we implemented the weekly system updates. There is a small part still outstanding due to needing process clarity, but the rest are now live. There is minimal impact from this outstanding item and the milestone is considered complete, albeit with some minor ongoing optimisations.			
New milestone - Safety Advisory Group (SAG) platform.	31-Aug-2025	No	<b>New milestone</b> - Developed and currently being tested by the Digital Services team prior to wider testing by NHC teams and external partners.			
Develop and deliver a Burials application.	30-Sep-2025	No	<b>Due date to be changed to the end of December 2025.</b> Resources have been diverted away from this project to focus on delivering the waste and grants database projects. This extended due date has been agreed with the NHC Burials team.			
<div> <div>Page 262</div> <div>Risks</div> </div>			Risk Level	Original Score	Current Score	Target Score
<div> <div>Risks:</div> <ul style="list-style-type: none"> <li>Resources within key teams available to deliver.</li> <li>Unexpected limitations within new digital platform.</li> <li>Unexpected delays or limitations relating to the new waste contract/contractor.</li> <li>Amount of data needing to be imported to the burials application and our ability to do this within the constraints of the project schedule.</li> </ul> </div>				6	6	3


	<b>Leisure Centre Decarbonisation</b>				
<b>Council Plan Objective</b>	Sustainability (2024-28)	<b>Due Date</b>	07-Jul-2026	<b>Original Date</b>	02-Feb-2026
<b>Project Summary</b>	Using a combination of external funding and NHC capital funding, deliver a project to decarbonise our three leisure centres. The main activities are replacing end of life gas boilers with Air Source Heat Pumps and installing Solar PV panels to enable on-site generation of electricity. Replacing gas heating for our leisure centres with low carbon alternatives is the single most effective action we can take towards meeting our target of being carbon neutral by 2030.				
<b>Latest Update</b>	25-Jul-2025 Salix have approved and paid the Council the full 2024/25 grant funding of £6,165,264. Grant conditions 1-4 were submitted to Salix for approval. These conditions included providing information on the choice of Air Source Heat Pump (ASHP), calculations on the heating demand on the ASHPs, sizing of the heating systems, as well as cost and values of the system. Conditions 2-4 were approved by Salix's consultants and sent on to Salix for final approval. Condition 1 was sent back for a further review by Willmott Dixon Construction (WDC) and resubmission - this is not going to prohibit the project from continuing while the review is conducted. Planning permission has been granted on all three sites. There was some concern around a bat being found at Hitchin and the impact on planning and start on site dates. Thankfully, a full bat survey concluded that there is no permanent roosting at Hitchin, and it is believed that the bat found was using Hitchin as a "rest stop" rather than a home. WDC set up on site at North Herts and Royston leisure centres during the week commencing 14 July 2025 with works commencing from 21 July 2025. WDC will be setting up on site at Hitchin from 1 September 2025. The contract has been going through a number of rounds of negotiations with our lawyers from Trowers & Hamlin and employers agent from Varsity Consulting working on the Council's behalf to liaise with WDC. At the time of writing this update, almost all the clauses are agreed as well as the liquidated damages (LDs). The remaining issue is agreeing how to resolve the issue of Building Safety Act (BSA) sign off in a way that does not unfairly penalise the Council and WDC. The BSA is a new law which is causing all construction projects contract issues. We are hoping to reach an agreement with WDC soon and to sign the contract by the end of July 2025. Many of the project risks have been either eliminated or significantly reduced. The big three which remain and are on the project teams mind are unknown issues that may present themselves when existing infrastructure is being removed, UKPN land easements and closure extensions. Closure extensions and "unknown unknowns" can be managed but if we cannot agree landowner easements for new power cables to power the ASHPs then there may come a point that the project stops until the easements are resolved. This has been mitigated as much as possible by planning 12 weeks into the programme for the legal easements and contacting the landowners to ask if they can be proactive with the agreements. Positive responses have been received from the landowners, and we will continue to remain in contact with them to encourage a speedy response. With the UKPN issue in mind, it is felt that the overall project should retain its current high risk assessment.				
<b>Milestone</b>		<b>Due Date</b>	<b>Complete</b>	<b>Note</b>	
	Council approves an increase in capital expenditure for the decarbonisation work and revenue expenditure for the termination and removal fees of gas CHPs.	11-Jul-2024	Yes		
	Pre-Construction Services Agreement with Willmott Dixon signed.	29-Jul-2024	Yes	Agreed and signed on 2 August 2024.	
	Appoint external Quantity Surveyor to oversee NHC's interests.	30-Aug-2024	Yes	Appointed Varsity Consulting to act as the Employers Agent for North Herts Council on the leisure decarbonisation project. This includes carrying out tasks of Quantity Surveyor, Cost Consultant and Contract Administrator. Decision taken 24 September 2024. Decision notified 27 September 2024.	
	Project Board - hold point to decide whether to continue the project.	04-Nov-2024	Yes	Project Board approved a number of recommendations allowing the project to move into the next phase.	
	Complete Stage 3 design phases.	11-Nov-2024	Yes	Stage 3 completed.	
	Council decision on preferred option.	15-Jan-2025	Yes		
	Willmott Dixon Construction submit contract offer.	20-Mar-2025	Yes	Contract offer received from Willmott Dixon. This is now being reviewed by our Quantity Surveyor, prior to the final agreement of costs.	
	Provide Salix with required project updates.	01-Apr-2025	Yes	All grant conditions and updates for the 2024/25 financial year have been issued and reviewed. Conditions 2-4 have been approved by Salix consultants and are with Salix to approve. Condition 1 will need to be reviewed, amended, and resubmitted later.	


Further report to Cabinet to approve contract award and additional budget.	20-May-2025	Yes	Cabinet agreed to increase the project capital budget, approved the extension of lido seasons at both outdoor pools, approved changes to the 2025/26 General Fund budget as a result of the increase in net expenditure caused by planned closures and extended lido seasons, and awarded the contract to WDC.
Salix confirm acceptance of our 2024/25 updates.	31-May-2025	Yes	Salix have approved and paid the Council the 2024/25 grant amount in full.
Commence de-carb works at Royston Leisure Centre.	17-Jun-2025	Yes	Willmott Dixon started setting up on site in the week commencing 14 July 2025 and started to shutdown areas of the building to prepare for works in the week commencing 21 July 2025.
Planning permissions obtained.	19-Jun-2025	Yes	Planning permission received for Royston and Letchworth on 19 June 2025, with Hitchin granted on 11 July 2025.
Commence de-carb works at North Herts Leisure Centre.	23-Jun-2025	Yes	Willmott Dixon started setting up on site in the week commencing 14 July 2025 and started to shutdown areas of the building to prepare for works in the week commencing 21 July 2025.
Enter into construction contract with Willmott Dixon.	25-Jun-2025	No	<b>Due date to change to 7 September 2025.</b> Contract has not yet been signed. The only thing still to agree is how practical completion will be agreed in a way that complies with the new Building Safety Act. The contract not yet being signed is not a big concern, as we have instructed work under a pre-construction agreement, but it is preferable that we formally get into contract as soon as possible. NHC Legal have confirmed that the construction contract will be signed week commencing 1 September 2025.
Commence de-carb works at Hitchin Swimming and Fitness Centre.	15-Sep-2025	No	<b>Due date to change to 1 September 2025.</b> It was highlighted in the previous update that there was potential for the start date to come forward.
Complete de-carb works at Royston Leisure Centre.	05-Dec-2025	No	<b>Due date to change to 26 May 2026.</b> At the time of the latest update, the programmed date has changed to 26 May 2026. This slip is based on the need to get Building Safety Act sign off before the works can be finally handed over. If the bodies signing off the works act in a reasonable time, then this date could be brought forward.
Complete de-carb works at North Herts Leisure Centre.	27-Jan-2026	No	<b>Due date to change to 26 May 2026.</b> At the time of the latest update, the programmed date has changed to 26 May 2026. This slip is based on the need to get Building Safety Act sign off before the works can be finally handed over. If the bodies signing off the works act in a reasonable time, then this date could be brought forward.
Provide Salix with finalised project data (including costs and energy values) and details of carbon savings monitoring and reporting arrangements.	02-Feb-2026	No	
Complete de-carb works at Hitchin Swimming and Fitness Centre.	07-May-2026	No	<b>Due date to change to 7 July 2026.</b> This slip is based on the need to get Building Safety Act sign off before the works can be finally handed over. If the bodies signing off the works act in a reasonable time, then this date could be brought forward.


Risks	Risk Level	Original Score	Current Score	Target Score
<p><b>Risks:</b></p> <ul style="list-style-type: none"><li>- NHC responsible for funding all project costs beyond agreed grant funding.</li><li>- NHC paying up front for the larger Air Source Heat Pumps.</li><li>- Unforeseen detailed survey findings require changes to project specifications and lead to additional financial costs.</li><li>- Failure to obtain required planning permissions (no longer a risk).</li><li>- Delays obtaining required Distribution Network Operator approvals lead to delays in commissioning/completing project works.</li><li>- Failure to deliver project in line with agreed grant conditions leads to loss of grant funding.</li><li>- Short programme delivery timeframes impact the ability to drawdown Year 1 2024/25 Salix grant funding within the agreed financial year leading to loss of funding (no longer a risk).</li><li>- Disruption to day-to-day operations during works leads to customer dissatisfaction.</li><li>- Demand on existing officer resources to cover the loss of the dedicated Project Manager.</li></ul>		8	8	6


	<b>Churchgate</b>				
<b>Council Plan Objective</b>	Responsible Growth (2024-28)	<b>Due Date</b>	31-Mar-2026	<b>Original Date</b>	
<b>Project Summary</b>	Progress the long-term regeneration of the shopping centre and surrounding areas. Project will span a number of years. Currently, recorded action relates to key milestones up to the end of 2025/26.				
<b>Latest Update</b>	04-Aug-2025 At Full Council on 10 July 2025, councillors voted to progress with their preferred approach to regenerate the Churchgate area, following extensive public consultation and technical feasibility work. The preferred pathway (and associated milestones and target dates) for moving the project forward is dependent on a further Project Board decision. Extensive work is ongoing to support informed decision making and to prepare for relevant procurement processes, although it is unlikely that this will be completed in time to enable Project Board to make a decision at the latest currently scheduled meeting on 15 October 2025. However, we do expect a decision to have been made and procurement processes relating to the preferred pathway to have commenced later in Autumn 2025. A further report to Full Council is scheduled to be presented in December 2025, to provide an update on both the selected pathway and progress to date.				
<b>Milestone</b>		<b>Due Date</b>	<b>Complete</b>	<b>Note</b>	
Start of engagement.		02-Sep-2024	Yes		
Run workshops.		16-Sep-2024	Yes	Hitchin Market Board workshop held 9 September 2024. Hitchin Forum workshop held 9 September 2024 (in the evening). Tenants workshop held 12 September 2024.	
Start public consultation.		17-Sep-2024	Yes		
Public consultation ends.		01-Oct-2024	Yes	The consultation period was extended to 3 November 2024 to take into account the leaflet drop to all North Hertfordshire households.	
Open 'in-person' Churchgate Regeneration Hub on market days, up to the end of the consultation period.		17-Oct-2024	Yes	Churchgate Regeneration Hub opened in an unused Churchgate unit.	
Feedback to Project Board.		29-Oct-2024	Yes	October 2024 Project Board meeting re-scheduled. Update on progress presented to Project Board on 14 October 2024.	
Feedback to Project Board.		26-Nov-2024	Yes	Project Board meeting re-scheduled to 4 December 2024. Consultation findings were presented to Project Board at this meeting.	
Publish second stage public consultation feedback report.		28-Feb-2025	Yes	Consultation results published in February 2025 and communicated throughout March 2025.	
Complete detailed evaluation of consultation findings and financial options appraisal.		16-May-2025	Yes		
Project Board decision on overarching direction and preferred pathway.		16-May-2025	Yes		
Attend UKREiiF 2025.		22-May-2025	Yes	Anthony Roche, Steve Crowley and Chloe Gray attended UKREiiF - 20-22 May 2025.	
Report to Council and formal decision on overarching direction and preferred pathway.		10-Jul-2025	Yes	At Full Council on 10 July 2025, councillors voted to progress with their preferred approach to regenerate the Churchgate area, following extensive public consultation and technical feasibility work.	



New milestone - Further report to Full Council.	04-Dec-2025	No	New milestone - Agreed to report back to Full Council in December 2025.			
1. Start procurement process for development partner.		No	Due date to be confirmed, although expect this to happen in Autumn 2025. Precise timings and the preferred pathway for moving the project forward, is dependent on a Project Board decision. Currently, the latest scheduled Project Board meeting is 15 October 2025, but it is unlikely that ongoing work to support an informed decision and prepare for the procurement process will have been completed in time to enable Project Board to make a decision at this meeting.			
2. Procurement process for development partner ends and contract awarded.		No	Due date to be confirmed. See note for above milestone.			
Risks			Risk Level	Original Score	Current Score	Target Score
<b>Risks:</b> 1. The regeneration will not meet expectations of stakeholders. 2. Regeneration of the Centre and surrounding area is not cost effective/not affordable. Including impacts of possible high inflation and increasing cost of building materials. 3. Availability of specific funding for consultants beyond previously agreed timeframe. 4. Overspends against agreed project budgets.				9	8	6


	<b>Decarbonisation of Council Buildings - Phase 2</b>				
<b>Council Plan Objective</b>	Sustainability (2024-28)	<b>Due Date</b>	31-Mar-2028	<b>Original Date</b>	31-Mar-2028
<b>Project Summary</b>	Finalise plans and complete works to decarbonise a further four Council buildings - Hitchin Town Hall, North Herts Museum, District Council Offices, and the learner pool at North Herts Leisure Centre. 2025/26 is a planning year, with works commencing in 2026/27 and due to complete by 31 March 2028. Current milestones only relate to the planning year 2025/26.				
<b>Latest Update</b>	28-Jul-2025 2025/26 is a planning year, with works commencing in 2026/27 and due to complete by 31 March 2028. Funding for the project has been secured - £1.98m as part of the Capital Programme 2025-35 and £1.17m of Public Sector Decarbonisation Scheme (Phase 4) funding. A Project Board has been established, and the project is now underway. Willmott Dixon Construction Ltd., who assisted us with our funding application, are conducting a feasibility assessment to validate and update early project assumptions and to provide options for procurement of solutions. A report will be presented to Cabinet in September 2025 seeking funding approval for appointing a Principal Designer and a Quantity Surveyor for the full project. Also in September 2025, Project Board to agree a preferred procurement option for delivering the pre-construction phase. At this early stage, there is a degree of uncertainty associated with many aspects of the project and the overall risk level is assessed as high. However, governance arrangements in place and further activities scheduled for the planning year aim to mitigate associated risks and reduce the assessed risk level.				
<b>Milestone</b>		<b>Due Date</b>	<b>Complete</b>	<b>Note</b>	
Full Council approve NHC capital budget to deliver project.		27-Feb-2025	Yes	On 27 February 2025, Full Council approved a capital budget of £1.98m as part of the Capital Programme 2025-35.	
Salix funding secured.		30-Apr-2025	Yes	In April 2025, Salix awarded the Council £1.17m of Public Sector Decarbonisation Scheme (Phase 4) funding. Currently, the estimated total project cost is £3.15m.	
Commence engagement with officers delivering the Leisure Centre Decarbonisation project.		21-May-2025	Yes	We have commenced discussions with the project team delivering the Leisure Centre Decarbonisation project to share internal lessons learned and help inform our approach to managing this Phase 2 project.	
Submit first Salix monitoring report.		13-Jun-2025	Yes	We have submitted our first monitoring report to Salix and have met our Salix relationship manager.	
Project Board established.		17-Jun-2025	Yes		
Appoint Quantity Surveyor to review initial feasibility study.		15-Jul-2025	Yes	We have appointed Varsity Consulting (who provide QS support to the Leisure Centre Decarbonisation project) to review the initial feasibility study.	
Feasibility study received from Willmott Dixon Construction Ltd.		01-Aug-2025	Yes	We appointed WDC (the contractor who assisted us with our funding application) to conduct a feasibility assessment. The aim was for this to help us validate the original funding submission, revise/update overall costs, update the project programme, revise cash flow in line with total project value and Salix submission, update anticipated running costs, review planning options, and provide options for procurement of solutions.	
Technical presentation of feasibility study by WDC.		13-Aug-2025	Yes		
Initial meeting with Varsity Consulting to discuss options to take forward to Project Board.		15-Aug-2025	Yes	Initial meeting held, with further meetings to follow.	
Project Board to agree a preferred procurement option for delivering the pre-construction phase.		08-Sep-2025	No		


Cabinet report seeking funding approval for appointing a Principal Designer and a Quantity Surveyor for the full project.	23-Sep-2025	No	Services provided by Quantity Surveyor and Principal Designer not covered by existing project budget. Request for funding approval to be included in the first quarter Capital Budget Monitoring Review 2025/26 report to Cabinet.			
Pre-construction Service Agreement signed.	26-Sep-2025	No	Due date is currently an estimate - to be confirmed.			
Surveys of the four buildings completed.	04-Dec-2025	No	Due date is currently an estimate - to be confirmed.			
Design phase commences.	05-Dec-2025	No	Due date is currently an estimate - to be confirmed.			
Confirm to Salix that we intend to proceed with the project into the first delivery year, in line with funding conditions.	16-Jan-2026	No				
Risks			Risk Level	Original Score	Current Score	Target Score
<b>Key Risks:</b> - NHC responsible for funding all project costs beyond agreed grant funding. - Failure to deliver project in line with agreed grant conditions leads to loss of grant funding - grant spend scheduled for 2026/27 and 2027/28. - Delays obtaining required Distribution Network Operator/Planning approvals lead to delays in commissioning/completing project works. - Failure to obtain planning permission - particular risk for Hitchin Town Hall as it is a listed building. - Unforeseen detailed survey findings require changes to project specifications and lead to additional financial costs e.g., identification of asbestos.				7	7	5


	<b>Engaging the community on our finances and how we spend our money, via the 'Prioritising our Pounds' Digital Budget Hub</b>				
<b>Council Plan Objective</b>	Sustainability (2024-28)	<b>Due Date</b>	28-Feb-2026	<b>Original Date</b>	28-Feb-2026
<b>Project Summary</b>	To help the community understand how we set our budget, what affects the funding that we receive, why we have less funding than we used to and the implications of that. To engage the community on the choices that we will need to make to ensure that our spend matches our funding, so that we are financially sustainable, and to enable our community to be part of future budget conversations.				
<b>Latest Update</b>	07-Aug-2025 Digital Budget Hub content was updated in May 2025, including further information on the 2025/26 financial year. 2026/27 budget consultation launched (across both digital and non-digital channels, including our online Hub) on 6 June 2025 and closed on 1 August 2025. The results will be reviewed with the Executive Member in the week commencing 18 August 2025. We now plan to delay the MTFS until early December 2025 due to uncertainty over new fair funding formula, in the hope for greater certainty by then. The Digital Budget Hub is only one way of helping us to engage with the community and to manage the associated risks, as we use all our channels (both digital and non-digital) to engage and educate residents and businesses. Overall risk level now assessed as medium, although there remains uncertainty relating to future funding, the scale of any budget gap and our options for addressing this, and the impacts of local government reorganisation.				
<b>Milestone</b>		<b>Due Date</b>	<b>Complete</b>	<b>Note</b>	
Update the Digital Budget Hub content to highlight the funding pressures we face and likely implications.		31-Aug-2024	Yes	Updates: - Homepage copy amended to reflect current situation. - 'How we set our budget' graphic created and added (to show residents the process we go through). - 'Did you know' film created and promoted, showing what services residents' council tax helps to provide. Above promoted across our social media channels and ENewsletters.	
Approve our Medium Term Financial Strategy.		30-Sep-2024	Yes	Council agreed adoption of the MTFS 2025-30 on 19 September 2024.	
Update content (Digital Budget Hub and other communications) through process for setting the 2025/26 budget.		28-Feb-2025	Yes	The content update on the Hub was not completed due to it moving from the Zencity platform to the NHC website. However, we did communicate budget information via other channels, with 2025/26 budget and Council Tax communications being promoted via PR to local media, on our website, across our social media channels and via our ENewsletter.	
Further update of Digital Budget Hub content to align with the start of the 2025/26 financial year.		31-May-2025	Yes	Content updated to include the following: 2025/26 Council Tax pie chart graphic; budget consultation mention (and link to survey) included in homepage copy; timeline updated with the 2025/26 Council budget PR and Waste Service change PR; and finally, timeline order changed so that the newest news date is first.	
Carry out detailed consultation on spend priorities and savings options for 2026/27 onwards.		31-Jul-2025	Yes	Budget consultation (across both digital and non-digital channels) ran for eight weeks. Budget consultation launched on 6 June 2025, and it was open until 1 August 2025.	
Consider feedback in setting the revised Medium Term Financial Strategy and approve the Strategy.		30-Sep-2025	No	<b>Due date to change to 4 December 2025.</b> Plan to delay the MTFS until early December 2025 due to uncertainty over new fair funding formula, and hoping for greater certainty.	
Consider consultation feedback in forming budget proposals for the 2026/27 budget and approve the 2026/27 budget.		28-Feb-2026	No		


Risks	Risk Level	Original Score	Current Score	Target Score
<b>Risks:</b> 1. Timing of Government announcements over future funding makes it difficult to engage residents in the scale of the budget gap and the savings that will be required. 2. Lack of engagement means that the consultation doesn't reflect a wide range of views. 3. The scale of the budget gap makes it feel like there are no choices. When making choices it then feels like not taking on board feedback. 4. Local government reorganisation adds uncertainty to medium-term planning.		8	5	2


	King George V Skate Park									
Council Plan Objective	Accessible Services (2024-28)				Due Date	31-Oct-2025	Original Date	31-Mar-2025		
Project Summary	Following complications with the initial procurement exercise in 2023/24, complete a procurement exercise to appoint a contractor to replace the existing King George V skate park and oversee delivery of the completed project.									
Latest Update	08-Aug-2025 Work started on-site on 14 July 2025, with an anticipated 12-week delivery window. Therefore, works currently scheduled to be completed by early October 2025. Exact date of official opening is dependent on the actual works completion date but expect the new skatepark to open sometime in October 2025. The risk level continues to be assessed as low. There are possible reputational risks due to the park being closed during the summer months and delays to project delivery, with ongoing communications during the delivery phase being key to managing stakeholder expectations. Overall, we expect the project to deliver a much-improved facility on budget, which meets the needs and expectations of stakeholders.									
Milestone					Due Date	Complete	Note			
Finalise formal SLA with Groundwork relating to the management of procurement processes.					12-Jul-2024	Yes				
NHC Legal to review relevant procurement documentation prior to Groundwork commencing tender process.					18-Aug-2024	Yes	Legal review of procurement documentation undertaken. This took slightly longer than originally envisaged and was completed in September 2024 rather than August 2024.			
Groundwork confirms procurement timetable.					11-Oct-2024	Yes	Timetable confirmed following Legal review of relevant procurement documentation.			
Commence tender process.					14-Oct-2024	Yes	ITT published on 14 October 2024.			
Award contract following evaluation of tender responses.					17-Dec-2024	Yes	Following evaluation of tenders in November 2024, the contract was awarded mid-December 2024.			
Contractor to conduct further communication/consultation during the early stages of the project prior to project delivery.					30-May-2025	Yes	This was completed in May 2025 prior to commencement of works on-site.			
Contractor confirms project plan and timings.					31-May-2025	Yes	Contract signed on 22 April 2025. Further consultation on the final design held in May 2025. Works commenced on 14 July 2025, with an anticipated 12-week delivery window.			
Contractor to commence on-site project delivery.					14-Jul-2025	Yes	Work started on Monday 14 July 2025 to revamp the skatepark.			
Contractor completes on-site works.					05-Oct-2025	No	Works have commenced. Project plan has works completing in the week commencing 29 September 2025.			
New skate park officially opened to the public.					31-Oct-2025	No	Specific due date to be confirmed. Dependent on works completing by early October 2025, expect the new skatepark to open sometime in October 2025.			
Risks							Risk Level	Original Score	Current Score	Target Score
Risks: - Until precise timings are confirmed, there is a risk that the project will not be completed in line with stakeholder expectations (currently assessed as low risk). - As with all procurement processes, there is a risk that the outcome will be challenged (risk removed, as the outcome was not challenged). - Possible reputational risk due to the park being closed during the construction period (currently assessed as low risk).								2	2	1


	<b>Local Plan Review</b>				
<b>Council Plan Objective</b>	Responsible Growth (2024-28)	<b>Due Date</b>	31-Dec-2027	<b>Original Date</b>	31-Dec-2027
<b>Project Summary</b>	To undertake an update of the Council's statutory Local Plan as agreed in principle by Cabinet in January 2024.				
<b>Latest Update</b>	24-Jul-2025 Secondary legislation and/or guidance is still awaited and is anticipated towards the end of 2025. There are presently no formal details of the 'Gateway' processes or requirements, though Government have reiterated their intention for these to be introduced. The Director - Place role has now been filled. The Strategic Planning Manager role is currently occupied on an interim basis and will be advertised in the Autumn. Two senior planner roles are currently being recruited to assist in the capacity of the wider team. If successful, these will be filled towards the end of the year. The consultation and site analysis digital platform has now been secured, and evidence and scoping work is ongoing. We are currently consulting on a Call for Sites - Expression of Interest for people to submit sites that have the potential for development. This work will inform the site allocations work to support the Local Plan. At this stage, officers are not recommending amendments to the milestones – in part due to a lack of information that might allow any more likely alternates to be identified – but will continue to monitor the situation in consultation with the Executive Member. However, due to the continued uncertainty relating to the process and timings for undertaking required activities, the previously reported milestone due dates have been removed. These will be re-instated once legislation/guidance has been received, and we have been able to assess the implications for our previously approved Local Development Scheme timetable. An update will be provided in the Strategic Planning Matters report to Cabinet in September 2025.				
<b>Milestone</b>		<b>Due Date</b>	<b>Complete</b>	<b>Note</b>	
01. In principle approval that Local Plan review is undertaken.		16-Jan-2024	Yes	Approved by Cabinet in January 2024.	
03. Approval of Local Development Scheme.		14-Jan-2025	Yes	Approved by Cabinet in January 2025.	
05. Notice of start of plan-making given to Secretary of State.			No	Milestone in line with approved LDS, subject to commentary dated 24 July 2025.	
06. Complete 'Gateway 1' advisory assessment.			No	Milestone in line with approved LDS, subject to commentary dated 24 July 2025.	
07. Complete first mandatory public consultation.			No	Milestone in line with approved LDS, subject to commentary dated 24 July 2025.	
08. Complete 'Gateway 2' advisory assessment.			No	Milestone in line with approved LDS, subject to commentary dated 24 July 2025.	
09. Complete second mandatory public consultation.			No	Milestone in line with approved LDS, subject to commentary dated 24 July 2025.	
10. Complete 'Gateway 3' assessment and submit for examination.			No	Milestone in line with approved LDS, subject to commentary dated 24 July 2025.	
11. Receipt of examination outcome.			No	Milestone in line with approved LDS, subject to commentary dated 24 July 2025.	
12. Finalisation and adoption of digital plan.			No	Milestone in line with approved LDS, subject to commentary dated 24 July 2025.	


Risks	Risk Level	Original Score	Current Score	Target Score
<p>Risks:</p> <ul style="list-style-type: none"> <li>- Government fails to provide regulations and guidance in a timely fashion.</li> <li>- Government introduces different or new or substantive reforms to the planning system and / or national policy.</li> <li>- Failure to retain/recruit sufficiently experienced officers to implement required programme of work. We have been unsuccessful with previous recruitment exercises, with limited interest in roles due to salary vs experience expectations not being in line with other local authorities in the area.</li> <li>- Internal complexities that delay putting necessary resources in place in a timely fashion.</li> <li>- Lack of general resource to accomplish the Local Plan update.</li> <li>- Lack/conflict of direction and vision from Council.</li> <li>- Failure to secure funding to resource the process.</li> <li>- Failure to obtain political and/or Government approval at key stages or gateways.</li> <li>- Government intervention if inadequate progress is made upon Local Plan Review.</li> <li>- Inadequate guidance leads to scheme outcomes that do not appropriately respond to, or contribute towards, corporate objectives and priorities of climate change, environment, economy and place.</li> <li>- Poor scheme outcomes that do not appropriately respond to local character and context.</li> <li>- Adverse appeal findings on other/non-Local Plan sites if progress on the Local Plan Review is delayed or stalled.</li> <li>- Local Government reorganisation proposals divert resources, impact upon the timetable or approach, or result in new workstreams.</li> </ul>		5	7	3


	<b>Oughtonhead Common Weir</b>				
<b>Council Plan Objective</b>	Sustainability (2024-28)	<b>Due Date</b>	31-Mar-2026	<b>Original Date</b>	30-Sep-2024
<b>Project Summary</b>	Complete works to rectify the collapsed weir.				
<b>Latest Update</b>	07-Aug-2025 CMS are currently putting together the specification/contract documents. A meeting is scheduled with Fishtek Consulting to go through questions raised by the Environment Agency (EA) to ensure no further modifications are required. All being well, expect tender process to start in early September 2025. Although dependent on the tender process starting in early September 2025, currently expect to appoint contractor in early November 2025. CMS have confirmed the tender details are complex, so a six-week period will be required for the tender to be open to allow sufficient time for contractors to put their returns together, followed by a two-week period for evaluating and scoring returns. Therefore, the process is expected to last for approximately two months from start to finish. CMS have also been notified that a Fish Pass application (permission to build, modify, or operate a fish pass on a river or watercourse) now needs to be submitted and approved by the EA. The next deadline for submission is 21 August 2025 for review by the panel on 4 September 2025. In the meantime, CMS can still continue with preparations for the tender process. At this time, we are unable to confirm precise timings for subsequent project phases. The project will not be completed in line with previously reported anticipated timeframes and public communications at the end of the procurement process and throughout the delivery phase will be key to managing stakeholder expectations and potential reputational risks. The impact of a delay in completing the project is still assessed as low, as any further deterioration of the existing weir is unlikely to result in significant environmental damage, with water quality actually improving since the damage to the existing weir occurred.				
<b>Milestone</b>		<b>Due Date</b>	<b>Complete</b>	<b>Note</b>	
01. Conduct the further modelling requested by the Environment Agency.		31-Aug-2024	Yes	Cost of completing further modelling circa £3k.	
02. Obtain required Environment Agency permits.		31-Dec-2024	Yes	Permits obtained in December 2024.	
03. Commence tender process for undertaking required works.		19-Sep-2025	No	CMS are currently putting together the specification/contract documents. A meeting is scheduled with Fishtek Consulting to go through questions raised by the Environment Agency to ensure no further modifications are required. All being well, expect tender process to start in early September 2025.	
04. Appoint contractor(s) to undertake required works.		14-Nov-2025	No	Current due date dependent on the tender process starting in early September 2025. CMS have confirmed the details are complex and so expect a six-week period for the tender to be open to allow sufficient time for contractors to put their returns together, followed by a two-week period for evaluating and scoring returns. Therefore, the process is expected to last for approximately two months.	
05. Successful contractor confirms project plan and timings.			No	<b>Due date to be confirmed.</b> Will be confirmed following contract award.	
06. Undertake further communication with the public regarding plans.			No	<b>Due date to be confirmed.</b> Will take place once contract awarded and plans have been finalised.	
07. Commence work on-site.			No	<b>Due date to be confirmed.</b> Will be confirmed when successful contractor confirms project plan and timings.	
08. Works on-site completed.			No	<b>Due date to be confirmed.</b> Will be confirmed when successful contractor confirms project plan and timings.	


Risks	Risk Level	Original Score	Current Score	Target Score
<b>Risks:</b> <ul style="list-style-type: none"> <li>- External funding from HCC, EA and residents is not available leading to full allocated Capital budget being used (currently assessed as low risk in view of reduced work now being required).</li> <li>- Existing situation deteriorates prior to any works being undertaken requiring further urgent temporary solutions to manage an immediate changing situation (currently assessed as low risk).</li> <li>- Failure to obtain Environment Agency permits or planning permission (no longer a risk).</li> <li>- Lack of contractor appetite to undertake works prolongs procurement process and delays project delivery (prior to tender process, assessed as relatively low risk).</li> <li>- Without confirmed plans for the procurement process and project delivery, there is a risk that the project will not be completed in line with current stakeholder expectations (currently assessed as low risk).</li> </ul>		4	2	1


	<b>Pay on Exit Parking</b>				
<b>Council Plan Objective</b>	Accessible Services (2024-28)	<b>Due Date</b>	28-Nov-2025	<b>Original Date</b>	31-Mar-2026
<b>Project Summary</b>	Replace existing parking machines and update tariff boards to implement pay on exit in all our town centre car parks. Capital budget approved to deliver the project over two years - 2024/25 and 2025/26.				
<b>Latest Update</b>	28-Jul-2025 The target date for installing new parking machines and signage at Norton Common and Hitchin Swimming & Fitness Centre is now the end of November 2025. Completion is dependent on having updated the TROs for both car parks, as from a scheduling and resource perspective, it is preferable for works to be undertaken at a similar time. The Norton Common TRO has already been updated (delegated decision notified 27 June 2025) and discussions are continuing with Leisure regarding the requirements for the updated TRO for Hitchin Swimming & Fitness Centre. Following the temporary update of existing tariff boards, new tariff boards are due to be installed at all other car parks. The schedule now agreed with the contractor is that this will be delivered via a rolling programme that is expected to be completed by the end of October 2025. All works relating to this project are still expected to be completed well in advance of the Capital funding deadline of March 2026. As with the introduction of any new technology, the Council and users have experienced a number of issues associated with the new machines and payment options, including network connectivity issues at some car parks. We have improved initial new signage and continue to work with the contractor to address connectivity issues. There has been both a high demand and pressure on the Parking Team, who have worked tirelessly to respond to and resolve users' issues. This has been key in managing the possible reputational risks associated with a negative public reaction to the changes, and there are indications that things are now starting to settle down. Despite the teething problems, most users have successfully continued to pay for parking following the changes.				
<b>Milestone</b>		<b>Due Date</b>	<b>Complete</b>	<b>Note</b>	
Procure supplier to replace tariff boards.		30-Aug-2024	Yes	Procurement complete. Supplier appointed on 2 September 2024.	
Draft implementation programme received from contractor.		30-Nov-2024	Yes		
Full implementation programme agreed with contractor.		31-Dec-2024	Yes	Full implementation programme agreed in December 2024 with some minor modifications finally agreed early February 2025. Installation of new parking machines scheduled to start mid-February 2025.	
Commence installation of new parking machines on a town-by-town basis, along with new entrance/information signage.		17-Feb-2025	Yes	Rollout commenced in Hitchin.	
Update TROs.		18-Feb-2025	Yes	The majority of updated TROs became effective on 18 February 2025. Updated TROs introduced alternative methods of payment, virtual permits and season tickets, and reviewed the definitions and length of stay for electric vehicle parking bays within the Council's car parks.	
Complete installation of new parking machines and new entrance/information signage.		31-Mar-2025	Yes	Works on site completed. However, as with the introduction of any new technology, the Council and users have experienced a number of issues associated with the new machines and payment options, including network connectivity issues at some car parks. Officers are working hard with the contractor to address these issues.	
Complete installation of new parking machines and signage at Norton Common and Hitchin Swimming & Fitness Centre car parks.		30-Sep-2025	No	<b>Due date to change to 28 November 2025.</b> This action is dependent on the completion of the new TROs for both car parks. From a scheduling and resource perspective, it is preferable for works to be undertaken at a similar time.	
Installation of new tariff boards completed.		30-Sep-2025	No	<b>Due date to change to 31 October 2025.</b> The previous due date was an estimate, with the expectation that works would be completed by the end of Summer 2025. However, the schedule for installing new tariff boards agreed with the contractor is that this will be delivered via a rolling programme completing by the end of October 2025.	


Norton Common and Hitchin Swimming & Fitness Centre TROs updated.	30-Sep-2025	No	<b>Due date to change to 28 November 2025.</b> The Norton Common TRO has been updated (delegated decision notified 27 June 2025). Discussions are continuing with Leisure regarding the requirements for the updated TRO for Hitchin Swimming & Fitness Centre. Currently, the expectation is that the updated TRO will have been progressed and will be effective by the end of November 2025.			
Risks			Risk Level	Original Score	Current Score	Target Score
<b>Risks:</b> 1. Budget implications of selected scheme (no longer a risk). 2. Inability to procure suppliers within approved budget (no longer a risk, as procured suppliers within budget). 3. Negative public reaction to changes and disruption during works. 4. Loss of income during associated works and immediate post-installation period. 5. Failure to bring together separate project elements to achieve seamless project delivery. 6. Public have issues using the new parking machines or understanding new payment options.				1	1	1

	<b>Resident/Public EV Charging in our Car Parks</b>				
<b>Council Plan Objective</b>	Sustainability (2024-28)	<b>Due Date</b>	31-Oct-2025	<b>Original Date</b>	31-Mar-2025
<b>Project Summary</b>	Finalise contract/leases with private sector partner and subsequently install new EV charging points in six of our outdoor surface car parks. OZEV grant secured to help deliver the project, although availability of funding has only currently been formally extended to September 2025.				
<b>Latest Update</b>	23-Jul-2025 Installation and commissioning of new EV charging points in all six outdoor surface car parks currently expected to be completed by the end of October 2025, with relevant leases also expected to be formalised in a similar timeframe. Revised target date acknowledges uncertainty relating to the completion of required wayleave agreements and Distribution Network Operator (DNO) tasks to connect power to the new charging points. The first phase of installation works has been completed, with all EV charging points now in place at the six outdoor car parks. Regarding formalisation of leases, all necessary details have been discussed and agreed with the contractor to allow this to happen once EV charging points have been installed and commissioned. An extension of the current grant funding deadline of 30 September 2025 has been requested from the Department for Transport. Outside of the scope of this Council Delivery Plan OZEV ORCS funded project, new EV charging points are also due to be installed in our multi-storey car parks, although the schedule for these works is still to be finalised. Progress continues to be made, although there remain risks associated with wayleave agreements, completion of DNO activities, and formal agreement of further extensions to the grant funding deadline. Therefore, the overall project risk level continues to be assessed as 'medium'.				
<b>Milestone</b>		<b>Due Date</b>	<b>Complete</b>	<b>Note</b>	
NHC to start promoting project.		31-Oct-2024	Yes	Our investment in EV charging infrastructure was included in the Winter 2024 edition of Outlook magazine, which was published in early December 2024.	
Contract finalised with private sector partner.		31-Dec-2024	Yes	Contract finalised 7 January 2025. Contract amended to enable the OZEV ORCS funded project (installation of new EV charging points in our outdoor surface car parks) to progress in advance of the further project to replace existing charging points in our multi-storey car parks, which was delayed by the need to satisfy the Council's property insurer regarding potential fire risks.	
Contractor to commence works.		03-Mar-2025	Yes	Having issued authority-to-proceed letters to the contractor, works commenced at the Civic Centre car park in Royston on 22 April 2025.	
Complete relevant leases with contractor for the length of the contract.		30-Sep-2025	No	<b>Due date to change to 31 October 2025, in line with the current contractor timeline and the project update reported to DfT.</b> The intention is that all relevant leases will be formalised once EV charging points have been installed and commissioned. All necessary details have been discussed and agreed with the contractor to allow this to happen. The installation and commissioning of new EV charging points in all six outdoor surface car parks is now expected to be completed by the end of October 2025, although there could be further delays linked to the completion of required UKPN connections and relevant wayleave agreements.	
Installation and commissioning of all new EV charging points completed.		30-Sep-2025	No	<b>Due date to change to 31 October 2025, in line with the current contractor timeline and the project update reported to DfT.</b> The first phase of installation works has been completed, with all EV charging points now in place at the six outdoor car parks. Some have already been connected, but we are still waiting for UKPN to connect new charging points to the main power grid in all six car parks. For two car parks, this requires the completion of third party wayleave agreements. When charging points are connected, the contractor will then return to complete required works (e.g., introducing related signage) prior to commissioning the charging points.	


Risks	Risk Level	Original Score	Current Score	Target Score
<b>Risks:</b> 1. Not successful in obtaining grant funding (no longer a risk). 2. Unable to identify/procure a private sector partner (no longer a risk). 3. Unable to agree contract conditions/relevant lease arrangements with contractor. 4. Unable to deliver project in accordance with OZEV requirements. 5. Unable to schedule required DNO upgrades in line with implementation programme. 6. Insurance requirements lead to changes to installation plans (no longer a risk). 7. Unable to reach agreement with Garden Square Shopping Centre regarding the replacement of existing charging points in Letchworth multi-storey car park (outside scope of OZEV project and no longer a risk).		5	5	1

	<b>Town Centres Strategy</b>				
<b>Council Plan Objective</b>	Responsible Growth (2024-28)	<b>Due Date</b>	27-Feb-2026	<b>Original Date</b>	31-Mar-2025
<b>Project Summary</b>	Progress development of an overarching Town Centres Strategy, including guidance on developing strategic plans for individual town centres.				
<b>Latest Update</b>	24-Jul-2025 At the time of update, still aiming to take the draft Town Centres Strategy to Cabinet in September 2025, although this is dependent on receiving a first full draft of the Strategy from the consultants in early August 2025. Following Project Board on 15 July 2025, the draft Strategy will now also be presented to PLB prior to the Cabinet meeting. If a completed full draft has been signed off in line with currently estimated timeframes, the draft Strategy is also due to be presented to O&S Committee on 9 September 2025. Should Cabinet be happy with the report recommendations, we will then move on to the public consultation phase followed by formal adoption by Cabinet. Precise timings for related milestones are still to be confirmed, as these will depend on our ability to present the draft Strategy to relevant committees in September 2025 and the outcome of these meetings. Should Cabinet give approval to proceed in September 2025, expect consultation exercise to take place over six weeks during October and November 2025. Dependent on the consultation findings, we would then aim to report back to Cabinet by the end of February 2026 at the latest. Although good progress is being made, there remains uncertainty regarding the timing of receipt of a first full draft from consultants and the outcomes from relevant meetings, and a new approved Strategy will not yet be a material consideration in a planning context as it does not form part of the currently adopted Local Plan. Therefore, the overall project risk level continues to be assessed as 'medium', although it is anticipated that a number of risk areas will reduce as we progress the Strategy throughout the remainder of the year.				
<b>Milestone</b>		<b>Due Date</b>	<b>Complete</b>	<b>Note</b>	
1. Undertake work to complete evidence base.		31-Jul-2024	Yes	Consultants presented initial report on evidence base and stakeholder workshop held to review findings.	
2. Further review/refinement of evidence base and final sign-off.		20-Dec-2024	Yes	Finalised retail evidence base in December 2024. Consultants to review wider evidence base for draft Strategy. To be published as supporting evidence base when consulting on the draft Town Centres Strategy.	
3. Project Board review draft Town Centres Strategy.		20-May-2025	Yes	Project Board members requested further work to be undertaken and to see the revised version prior to submitting the Strategy to Cabinet. There was not enough time to do this in time for Cabinet in June 2025, so we are now aiming for Cabinet in September 2025.	
4. Project Board review and approval of draft Town Centres Strategy.		15-Jul-2025	Yes	Presented the detailed overview and priorities for each of the town centres at the Project Board meeting on 15 July 2025. At this meeting, Project Board suggested the draft Strategy should be presented to PLB prior to the September 2025 Cabinet meeting.	
5. Development and finalisation of draft Strategy.		15-Aug-2025	No	Consultants are expected to provide a first full draft of the Town Centres Strategy by 31 July 2025 for officer review and comment. A completed full draft for officer sign-off is then expected by 15 August 2025. This will subsequently be submitted to O&S and PLB.	
6. New milestone - Present draft Strategy to Political Liaison Board (PLB).		02-Sep-2025	No	<b>New milestone.</b> Due date is dependent on receiving, reviewing, and signing off a final draft by mid-August 2025.	
7. New milestone - Present draft Strategy to Overview & Scrutiny Committee.		09-Sep-2025	No	<b>New milestone.</b> Due date is dependent on receiving, reviewing, and signing off a final draft by mid-August 2025.	
8. Present details of draft Strategy, including guidance sections for each town, to Cabinet.		23-Sep-2025	No	On the Forward Plan, the draft Town Centres Strategy is scheduled to go to Cabinet in September 2025. However, this is dependent on receiving, reviewing, and signing off a final draft by mid-August 2025.	




9. Consultation on draft Town Centres Strategy.		No	Due date to be confirmed, as dependent on outcome of relevant Cabinet meeting. If draft Strategy presented to Cabinet in September 2025 and Cabinet are happy with the report recommendations, expect consultation to take place over six weeks during October and November 2025.			
10. Cabinet adopt Town Centres Strategy.		No	Due date to be confirmed. Exact timing dependent on Cabinet approval to proceed to consultation and findings of the consultation exercise. Should Cabinet approval be received in September 2025 and a consultation exercise be completed by the end of November 2025, would expect to report back to Cabinet by the end of February 2026 at the latest.			
Risks			Risk Level	Original Score	Current Score	Target Score
1. Lack of available resource to produce and deliver identified strategies. 2. Lack of strategic direction leads to speculative development that undermines function of town centres.				5	5	1


	<b>Waste and Street Cleansing Contract</b>				
<b>Council Plan Objective</b>	Accessible Services (2024-28)	<b>Due Date</b>	30-Nov-2025	<b>Original Date</b>	31-Aug-2025
<b>Project Summary</b>	Complete procurement and mobilisation of a new Waste and Street Cleansing contract. Plan for and implement agreed service changes included in the contract.				
<b>Latest Update</b>	24-Jul-2025 We have finalised collection rounds for agreed service changes included in the contract and have completed the programme of new bin and caddy deliveries, although work continues to rectify minor identified issues. Preparations continue for the rollout of new services on 4 August 2025, including promoting the new services e.g., via social media and sending letters to all residents. As with all service changes, there is a risk of issues arising in the early weeks and we are putting in place mitigating measures to help manage these e.g., having additional vehicles available to respond to initial teething problems. A briefing session was held on 14 July 2025 to keep Members informed and an update report is now due to be presented to O&S Committee following the initial rollout period. In view of the progress made since the commencement of the contract renewal process, the overall risk level is now assessed as medium. The risk position is much improved, and we can take measures to manage the main categories of risk - operational and reputational.				
<b>Milestone</b>		<b>Due Date</b>	<b>Complete</b>	<b>Note</b>	
Evaluation of final tenders and production of Evaluation Report.		17-Jun-2024	Yes		
Project Board sign off of Evaluation Report and award recommendation.		21-Jun-2024	Yes		
Executive and Cabinet approval to award the contract to the preferred bidder.		09-Jul-2024	Yes	Cabinet agreed to award the contract to the preferred bidder, contingent upon the completion of the Letchworth depots lease assignment from the incumbent provider to the Council. The assignment of the Letchworth depots lease was subsequently completed.	
End of contract award standstill period.		12-Aug-2024	Yes		
First meetings held with preferred bidder.		15-Aug-2024	Yes		
Intention to award contract phase completed.		31-Aug-2024	Yes	Milestone completed and communicated in September 2024 that we will be re-establishing a partnership with Veolia.	
Press communication.		10-Sep-2024	Yes		
Commence procurement of new fleet vehicles.		15-Nov-2024	Yes	We approved capital funding of £5.285 million (excluding VAT) for the purchase of waste and street cleansing vehicles for the new contract. This allowed the procurement process for NHC vehicles to commence. This process has now completed.	
Develop IT specifications.		30-Nov-2024	Yes	Full specifications for the garden waste platform and additional forms developed. Relevant build processes commenced. From a technical standpoint, we have the information we needed to scope and plan the project.	
Finalisation and signing of contract (formal contract award).		28-Feb-2025	Yes	Delay did not impact our ability to prepare for contract mobilisation.	
Confirmation of final delivery plans and H&S arrangements.		04-Mar-2025	Yes	Delivery plans finalised and H&S risk assessments completed and received. Delivery plans were revisited in advance of service change.	

Member briefing session (March 2025).	31-Mar-2025	Yes	Member briefing session held on 27 March 2025.
Condition surveys and demobilisation of depots.	03-May-2025	Yes	Completed. Property Services managed dilapidations with the outgoing tenant (FCC).
Commence mobilisation of new contract.	04-May-2025	Yes	Veolia undertook street cleansing from 4 May 2025 and waste collection operations began on 6 May 2025 following the bank holiday.
New bin and caddy deliveries start.	06-May-2025	Yes	Bin and caddy deliveries commenced. Expected to continue prior to and up to commencement of the new services.
Finalise new service collection rounds.	30-Jun-2025	Yes	We have finalised collection rounds for the agreed service changes included in the contract.
Member briefing session (July 2025).	14-Jul-2025	Yes	Member briefing session held on 14 July 2025. Approximately 15 Members attended.
New bin and caddy deliveries completed.	04-Aug-2025	Yes	Programme of bin and caddy deliveries has now been completed. However, we continue work to rectify identified issues with some deliveries.
New services to commence.	04-Aug-2025	Yes	New services commenced on 4 August 2025.
New milestone - Update report on service delivery to Overview & Scrutiny Committee.	11-Nov-2025	No	<b>New milestone</b> - Committee date still to be confirmed.

Risks			Risk Level	Original Score	Current Score	Target Score
<b>Risks:</b> - Delay in completing the assignment of Letchworth depot lease delays contract award (no longer a risk, as lease assignment completed). - Insufficient resources/capacity to deliver mobilisation and new service provision work. Shared Service Manager - Waste due to leave September 2025. - Final Government Resources & Waste Strategy differs from contract specification (no longer a risk, as contract specification aligns with new Simpler Recycling policy published late 2024). - Uncertainty over certain cost elements (no longer a risk, as costs finalised with inflationary uplift). - Any delays cause mobilisation challenges. - Capability to develop online forms and integrate these with new systems (NHC income management system and preferred supplier systems). - EV charging infrastructure is not in place for start of contract (no longer a risk, as EV charging points installed). - Public confusion around contract mobilisation and service changes. - Discover new collection rounds are not optimal once operational. - Increased missed collections during the initial rollout period of new collection services.				9	5	3

# Corporate Risks

Risks	Risk Level	Original Score	Current Score	Target Score
<b><u>Resourcing</u></b> <b>Risks:</b> Ability to recruit and retain staff, as well as supporting new priorities and external pressures, affects delivery of the projects and actions in the Council Delivery Plan and service plans. This is particularly relevant for certain service areas where it is especially difficult to recruit and retain staff. Also, impacts of emergency planning events on staff resources.		8	9	8
<b><u>Cyber Risks</u></b> <b>Risks:</b> Prolonged widespread disruption to/failure of IT infrastructure/systems. Possible causes: - Deliberate and unauthorised breaches of security e.g., ransomware, denial of service. - Unintentional/accidental breaches of security e.g., action of individual staff/Members. - Weakness/failure of essential IT infrastructure e.g., loss of internet access. - Evolving risk appetite/profile associated with IT systems, as we pursue increased use of hosted systems and associated risks to individual systems are transferred to suppliers. Leading to: - Inability to deliver services/projects. - Unbudgeted costs to enable recovery. - Reputational damage.		8	8	8
<b><u>Financial Sustainability</u></b> <b>Risks:</b> 1. Funding reductions as a result of new funding formula. 2. Sales, fees, and charges income shortfalls, either due to rates not tracking inflation and/or reductions in demand. 3. Not able to make the required decisions to deliver budget savings required. 4. Increases in costs (reductions in income) as a result of inflationary increases. 5. Uncertainty over levels of pay inflation required. 6. Local government reorganisation adds uncertainty to medium-term financial planning.		9	9	5

Risks	Risk Level	Original Score	Current Score	Target Score
<p><b><u>Local Government Reorganisation and Devolution</u></b></p> <p><b>Risks:</b></p> <p>The Government have published a White Paper and written to all Local Authorities. This requires Local Authorities to work together to come up with a proposal that results in unitary rather than 2-tier Councils. It also seeks a Combined Authority structure that allows devolution of powers to a Mayor. Those powers include "housing, planning, transport, energy, skills, employment support and more". The risks relate to this being a very substantial project requiring significant change. Specific risks include:</p> <ul style="list-style-type: none"> <li>- The work to get to a proposal on a unitary structure (noting the need for this to be agreed across 11 Councils) is significant in terms of the negotiations needed and the collation of information and analysis to support that decision making process.</li> <li>- If there is an inability to agree a new structure, it may prolong the period above, or lead to a structure being imposed upon Hertfordshire.</li> <li>- After a new structure is agreed, there would be even more significant work to move towards the implementation of that new structure.</li> <li>- Efficiency is mentioned as one of the reasons for moving to a unitary structure. This may lead staff to believe that their job may be at risk. Alternatively, the additional work of moving to unitary status may be seen as too much.</li> <li>- Focusing on a new structure may lead to decision making that is too short-term (getting things done before they can be de-prioritised by a new larger Council with wider priorities) or too long-term (avoid making decisions and leave them to the new unitary Council).</li> <li>- Ensuring that the views of stakeholders continue to be heard during the transition process and within the new structure.</li> </ul>		9	9	5

<b>CABINET</b> <b>23 September 2025</b>
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<b>PART 1 – PUBLIC DOCUMENT</b>
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**TITLE OF REPORT: FIRST QUARTER REVENUE BUDGET MONITORING 2025/26**

REPORT OF: THE DIRECTOR - RESOURCES

EXECUTIVE MEMBER: RESOURCES

COUNCIL PRIORITY: SUSTAINABILITY

**1. EXECUTIVE SUMMARY**

- 1.1. The purpose of this report is to inform Cabinet of the summary position on revenue income and expenditure forecasts for the financial year 2025/26, as at the end of the first quarter. The forecast variance is a £453k increase in the net working budget of £24.043million, with an ongoing impact in future years of a £314k increase. There are requests to carry forward unspent budget totalling £375k to fund specific activities in the next financial year. Explanations for all the significant variances are provided in table 3.

**2. RECOMMENDATIONS**

- 2.1. That Cabinet note this report.
- 2.2. That Cabinet approves the changes to the 2025/26 General Fund budget, as identified in table 3 and paragraph 8.2, a £453k increase in net expenditure.
- 2.3. That Cabinet notes the changes to the 2026/27 General Fund budget, as identified in table 3 and paragraph 8.2, a total £689k increase in net expenditure. These will be incorporated in the draft revenue budget for 2026/27.
- 2.4. That Cabinet delegates to the Director-Resources (in consultation with the Executive Member for Resources) authority to enter in to a Business Rate Pooling arrangement (if available) if it is estimated that it will be in the financial interests of the Council.
- 2.5. That Cabinet approve the write-off of a debt for £11,326.64, as detailed in paragraph 8.17.

**3. REASONS FOR RECOMMENDATIONS**

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

**4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1. Budget holders have considered the options to manage within the existing budget but consider the variances reported here necessary and appropriate.

## 5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1. Consultation on the budget monitoring report is not required. Members will be aware that there is wider consultation on budget estimates during the corporate business planning process each year.

## 6. FORWARD PLAN

- 6.1. The report contains a recommendation on a key decision that was first notified to the public in the Forward Plan on the 25<sup>th</sup> July 2025.

## 7. BACKGROUND

- 7.1. Council approved the revenue budget for 2024/25 of £22.914million in February 2025. As at the end of Quarter One, the working budget has increased to £24.043million. Table 1 below details the approved changes to this budget to get to the current working budget:

**Table 1 - Current Working Budget**

	£k
Original Revenue Budget for 2025/26 approved by Full Council	22,914
Quarter 3 2024/25 Revenue Budget Monitoring report – 2025/26 budget changes approved by Cabinet (March 2025)	807
2024/25 Revenue Budget Outturn report – 2025/26 budget changes approved by Cabinet (June 2025)	202
Churchgate Viability and Next Steps report – additional funding for a specialist Project Manager approved by Council (July 2025)	120
<b>Current Working Budget</b>	<b>24,043</b>

- 7.2. The Council is managed under Service Directorates. Table 2 below confirms the current net direct resource allocation of each Service Directorate, following the corporate restructure effective from 1<sup>st</sup> April 2025, and how the forecast total cost of services within each Directorate has changed since the original budget was approved by Council in February 2025.

**Table 2 – Service Directorate Budget Allocations**

	Original Budget 2025/26	Changes approved at Q3 2024/25	Changes approved at Outturn 2024/25	Other Budget Changes / Transfers	Current Net Direct Working Budget
Service Directorate	£k	£k	£k	£k	£k
Chief Executive	1,030	53	154	(112)	1,125
Customers	3,899	79	(14)	(9)	3,955
Enterprise	1,168	73	41	120	1,402
Environment	8,053	8	(253)	13	7,821
Governance	2,391	25	1	(5)	2,412
Place	751	530	212	1	1,494
Regulatory Services	2,706	0	14	117	2,837
Resources	2,916	39	47	(5)	2,997
<b>TOTAL</b>	<b>22,914</b>	<b>807</b>	<b>202</b>	<b>120</b>	<b>24,043</b>

- 7.3. The Revenue Budget Outturn 2024/25 report recorded net revenue expenditure of £17.932 million for 2024/25 and the balance on the General Fund reserve at the end of 2024/25 of £16.081million. In finalising the Draft Statement of Accounts prior to issue, it was identified that £14k of interest payment transactions relating to the Council's outstanding borrowing had been incorrectly charged in the Council's General Ledger. The subsequent correction transferred these amounts to ensure that these were charged to the General Fund in 2024/25. This resulted in a revised outturn for 2024/25 of £17.946million, with a closing General Fund balance of £16.067million. The revised General Fund balance is reflected in table 7 below.

## 8. RELEVANT CONSIDERATIONS

- 8.1. Service Managers are responsible for monitoring their expenditure and income against their working budget. Table 3 below highlights those areas where there are forecast to be differences. An explanation is provided for each of the most significant variances, which are generally more than £25k. The final columns detail if there is expected to be an impact on next year's (2026/27) budget:

**Table 3 - Summary of significant variances**

Budget Area	Working Budget £k	Forecast Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2026/27 £k
<b>All Directorates</b> 2025/26 Staff Pay Inflation	554	590	+36	Overspend variance indicates estimated impact of the nationally agreed pay awards for 2025/26 for Local Government Officers, Chief Officers [Directors] and Chief Executives. The outcome was an increase of 3.2% to all salary scale points. The assumption in the budget was an increase of 3%.	0	36
<b>Chief Executive</b> Treasury Investments Interest Income	(825)	(1,825)	(1,000)	Increase in estimated interest income receivable relates to significantly higher cash balances available for investment than anticipated when the income budget estimate was prepared at the start of the calendar year. This is due to the reprofiling of planned capital investments. Estimates for future years will be updated when the next Investment Strategy is finalised in January 2026.	0	0

Budget Area	Working Budget £k	Forecast Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2026/27 £k
Chief Executive Revenue savings from planned capital investments				Three ongoing revenue savings resulting from the delivery of planned capital schemes in 2024/25 were anticipated to materialise in 2025/26 when the original budget estimates for 2024/25 onwards were approved by Council in February 2024. Each saving was assumed to be at least equivalent to the associated capital financing cost. These should have been removed as part of setting 2025/26 budget.		
Royston Leisure Centre Learner Pool	(125)	0	+125	Delivery of this capital project had been initially expected to result in an ongoing increase to the annual management fee income due to the Council that off-set the revenue costs of capital. As the proposals progressed, the expected income was much lower than the revenue costs of capital. It was therefore subsequently removed from the capital programme pending a defined viable plan. In February 2025 Council approved to set aside a contingency budget of £40k in 2025/26 to enable further feasibility work to be carried out to further assess whether there are viable options for a Learner pool at Royston Leisure Centre.	0	125
Leisure Centres Improvements	(262)	0	+262	The improvement works completed in 24/25 (Year 1 of the two-year scheme) have delivered an ongoing annual saving of £339k, as highlighted in the Revenue Budget Outturn 2024/25 report. The £339k ongoing saving was included in the recommended adjustments to the 2025/26 budget within the Outturn report approved by Cabinet in June and is therefore included in the current working budget for the leisure centre contract, managed under the Environment Directorate.	0	262
Leisure Centres Decarbonisation	(230)	0	+230	Ongoing revenue savings were initially envisaged from the delivery of those decarbonisation projects eligible for matched grant funding from the Public Sector Decarbonisation Fund. However, as detailed to both Cabinet and Council in January 2025, during the detailed RIBA Stage 3 / Stage 4 design phase, a review of the proposed air source heat pumps (ASHP) at all three leisure centres highlighted significant additional running costs, compared to previous estimates at the detailed feasibility stage.	0	230

Budget Area	Working Budget £k	Forecast Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2026/27 £k
<b>Customers</b> IT Services staffing costs	891	870	(21)	£88k of unspent budget was approved to be carried forward from 2024/25 to fund the costs of two temporary posts in IT. While both posts have been recruited to, the contract of the part-time Helpdesk Support Officer post is for a period of two years. A carry forward of the unspent budget in this financial year is therefore requested to cover the costs of the post falling in the next financial year.	21	0
<b>Enterprise</b> Museum Items Transport and Storage	70	0	(70)	Cabinet approved the carry forward of the £70k revenue investment proposal originally earmarked in 2024/25 for the removal and temporary storage costs of artefacts in Burymead while the longer-term storage solution was developed. It was envisaged that the museum collection would require removal away from the current Burymead Road site, before later returning to the site following its redevelopment. As a result of the Councils acquisition of an alternative site in Letchworth, the museum collection will instead only be moved once. This has therefore reduced the resource required, with £45k now requested to be carried forward to facilitate the transfer in the next financial year.	45	0
<b>Enterprise</b> Investment Properties Rental Income	(1,124)	(1,163)	(39)	Increase in forecast rent income this year is mainly due to the recent acquisition of the Museum Storage site in Letchworth, which has an existing tenant with a lease until January 2026.	0	0
<b>Enterprise</b> Charnwood House Rent Income	(30)	0	+30	While capital resource is earmarked for the renovation of Charnwood House, previous marketing did not produce a suitable letting. Officers are currently reviewing reports on the building in the preparation of options for the next steps.	0	0
<b>Environment</b> Leisure Centres Swimming Pool Tiling Repairs	120	33	(87)	Three investment bids to repair tiling and grouting following underwater surveys at each of the Council's swimming pools, to ensure compliance with Health and Safety legislation, were approved by Council in February. The investment values originated from quotations based on a full specification of repair works - low, medium and high priority. The only works that were contractually required to be carried out were those marked as high priority, resulting in an underspend on the original budget provision.	0	0

Budget Area	Working Budget £k	Forecast Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2026/27 £k
<b>Environment</b> Leisure Centre Management Contract Income - Agency Agreement	0	(367)	(367)	From 1 May 2025 the Council entered into an Agency Agreement with SLM (Everyone Active) for the operation of our leisure facilities. The change in contractual arrangements has allowed both the Council and SLM to benefit from changes to the VAT treatment of local authority leisure services announced by HMRC in March 2023. The adjustment also reflects inflation and reductions in energy costs which have been incorporated in to the agency arrangement.	0	(367)
<b>Environment</b> Leisure Centre Management Contract Income – Temporary Leisure Centre Closures	0	1,200	+1,200	The leisure centres decarbonisation project will require some closures during the works, meaning a reduction in the management fee receivable under the terms of the Leisure and Active Communities contract. Forecast outturn represents the current estimated one-off loss of revenue for the closures across all three sites. A loss of income from the closures was recorded as a pressure in setting the budget for 2025/26, albeit at that stage the loss was not yet quantified, and hence was also identified as a financial risk when the original budget was approved in February.	0	0
<b>Environment</b> Flex Collect trial	0	136	+136	The Council was part of a Flex Collect trial (collection of soft plastics). The costs of this will be met by the additional grant detailed in paragraph 8.13.	0	0
<b>Place</b> Development Control - Legal and Consultants Expenditure	0	98	+98	Spend relates to the two public inquiries held in respect of Wandon End Solar Farm and the Land at Rhee Spring, following the refusal of planning permission at each site by the Council's Planning Control Committee. In each case the decision was contrary to officer recommendation. Barrister and consultants' fees were incurred in defending the Council's decision at the inquiries. Costs associated with a challenge to a decision of the Council were identified as a financial risk when the budget for 2025/26 was approved in February.	0	0

Budget Area	Working Budget £k	Forecast Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2026/27 £k
<b>Place</b> Planning Control Staffing Costs	1,296	1,263	(33)	A revenue investment proposal for additional specialist planning advice was approved by Council in February. The investment has funded the creation of the new post of Tree and Landscape Officer. The new role has been advertised and is currently expected to be filled by November. The forecast underspend variance is due to the allocated budget provision assuming a full year of salary costs.	0	0
<b>Place</b> Planning Control Software	20	0	(20)	A revenue investment proposal of £20k was approved at 2025/26 budget setting to install IDOX insights software, an IDOX Uniform add-on that would improve the monitoring of casework and performance management as well as enable analysis and comparison with other authorities. The installation is now planned to be deferred to the next financial year, pending further progress with Local Government reorganisation, to establish that the system is compatible with any future partners prior to procurement. The carry forward of the unspent budget is therefore requested to finance installation in the next financial year.	20	0

Budget Area	Working Budget £k	Forecast Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2026/27 £k
<b>Place</b> Planning Policy Projects						
Extension of the Chilterns National Landscape (formerly the Chilterns Area of Outstanding Natural Beauty)	30	2	(28)	An investment bid to progress the application to extend the Chilterns National Landscape was previously approved by Council, with budget of £10k allocated in each of 2023/24, 2024/25 and 2025/26. The budget allocated in prior years has been carried forward while awaiting the outcome of the review by Natural England. Natural England have however stopped their review due to a lack of funding and resources at Natural England. Natural England have instead recommended that this work could be done as part of the Local Plan. It is requested to therefore reallocate the unspent resource to the budget supporting the Local Plan in the next financial year, where it will be used to determine whether the area is valued landscape, in the absence of the extension review work.	0	0
Local Plan	386	207	(179)	Several evidence-based projects initially planned for completion in this financial year have taken slightly longer to procure and therefore complete. Projects now to be completed in 2026/27 include the viability study, employment needs assessment, strategic flood risk and strategic housing market assessment. A carry forward of the unspent budget is therefore requested to cover the costs of these projects falling in the next financial year. The requested carry forward value includes the unspent budget relating to the Extension of the Chilterns National Landscape.	207	0
<b>Place</b> Net income from Princes Mews Car Park	(10)	0	+10	The Council previously operated the Princes Mews Car Park in Royston under a licence agreement with the landowners. The landowners have since terminated the licence agreement and the car park was closed permanently from 7 <sup>th</sup> April 2025. The Council therefore will no longer receive any parking fees or management fee income for this car park.	0	10

Budget Area	Working Budget £k	Forecast Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2026/27 £k
<b>Regulatory</b> Environmental Health Apprenticeship	100	18	(82)	Budget was carried forward to fund the costs of the 4-year Environmental Health Officer Apprentice post. The recruitment is due to take place in September in line with the academic year. It is requested to carry forward the estimated budget required to meet the cost of the apprenticeship in future years.	82	0
<b>Resources</b> Court Summons Fees Income	(178)	(89)	+89	Income recovery in the first half of the year has been affected by the transition to the new financial system, with no court hearings arranged to date in this financial year. Payment reminder notices have however been issued, while additional temporary staffing resource has been recruited to ensure payments received are correctly allocated to support recovery of debts.	0	0
<b>Resources</b> Property Insurance Premiums	95	139	+44	Additional property insurance is required to cover the leisure centres for the period decarbonisation works are undertaken. In addition, the estimated ongoing impact reflects general property insurance inflation being higher than assumed in the original budget.	0	7
<b>Total of explained variances</b>	<b>778</b>	<b>1,112</b>	<b>+334</b>		<b>375</b>	<b>303</b>
Other minor balances	23,265	23,384	+119		0	11
<b>Overall Total</b>	<b>24,043</b>	<b>24,496</b>	<b>+453</b>		<b>375</b>	<b>314</b>

8.2. Cabinet are asked to approve the differences highlighted in the table above (a £453k increase in spend), as an adjustment to the working budget (recommendation 2.2). Cabinet are also asked to note the estimated impact on the 2026/27 budget, a £689k increase in budget, which includes the request to carry forward £375k of unspent budget for specific purposes next year, which will be incorporated in to the 2026/27 budget setting process (recommendation 2.3).

8.3. The original approved budget for 2025/26 (and therefore working budget) included efficiencies totalling £1.341million, which were agreed by Council in February 2025. Any under or over delivery of efficiencies will be picked up by any budget variances (table 3 above). However, there can be off-setting variances which mean that it is unclear whether the efficiency has been delivered. Where this is the case, this will be highlighted. The current forecast at the end of Quarter One is a net overachievement of £59k. This comprises:

- Revenue saving from proposed provision of a learner swimming pool at Royston leisure centre, as highlighted in table three above. £125k underachievement. This should have been removed from the budget.
- Revenue saving from financing improvement projects at our Leisure Centres, as explained in table 3 above. £77k overachievement.
- Revenue savings from decarbonisation projects, as highlighted in table 3 above. £230k underachievement. This should have been removed from the budget.

- Income from the letting of Charnwood House in Hitchin, as highlighted in table three above. £30k underachievement.
  - Leisure provider moving to acting as our agent in running our leisure centres, as highlighted in table 3 above. £367k overachievement. This also includes adjustments for energy costs and inflation.
- 8.4. The working budget for 2025/26 includes budgets totalling £1.682million that were carried forward from the previous year. These are generally carried forward so that they can be spent for a particular purpose that had been due to happen in 2024/25 but was delayed into 2025/26. At Quarter One, it is forecast that £199k of the budget carried forward will not be spent in this year. This relates to the budget carried forward for:
- IT temporary staffing costs. £21k is forecast not to be spent in this year and is requested to be carried forward again, as highlighted in table three above.
  - Museum artefacts transport and temporary storage. The £70k carry forward budget will not be spent in this year, with £45k requested to be carried forward again to fund the activity in next year, as explained in table three above.
  - Environmental Health apprenticeship. £82k of the £100k budget carried forward is forecast to be unspent this year and is requested to be carried forward again, as highlighted in table 3 above.
  - Application for the extension of the Chilterns National Landscape. £18k of the £20k budget carried forward will not be spent in this year and is requested to be carried forward again and included in the budget for work on the Local Plan, as explained in table three above.
  - Business rates review. £8k of the £26k budget is forecast to be unspent this year (included within the 'other minor variances' total in table 3 above).
- 8.5. Six corporate 'financial health' indicators have been identified in relation to key sources of income for the Council in 2025/26. Table 4 below shows the performance for the year. A comparison is made to the original budget to give the complete picture for the year. Each indicator is given a status of red, amber, or green. A green indicator means that they are forecast to match or exceed the budgeted level of income. An amber indicator means that there is a risk that they will not meet the budgeted level of income. A red indicator means that they will not meet the budgeted level of income.
- 8.6. At the end of Quarter One, four of the indicators are green, one is amber and one of the indicators is red. Explanation for the red indicator in respect of Leisure Centres Management Fee income is included in table 3 above. The amber indicator for car parking fees income follows the closure of Princes Mews car park in April and the associated forecast loss of income, as noted in table 3 above, which means there is a risk that the budget will not be achieved. The high actual to date totals relative to the annual budget for Planning Fees and Garden Waste income are due to the reversal in the current year of the accounting adjustments posted at the end of the prior financial year to ensure the income totals recorded for 2024/25 only related to activity in 2024/25, (i.e. planning applications resolved / garden waste collections undertaken between 1<sup>st</sup> April 2024 and 31<sup>st</sup> March 2025), and therefore are not necessarily indicative of the achievement of surplus income in this financial year.

**Table 4 - Corporate financial health indicators**





Indicator	Status	Original Budget	Actual to Date	Projected Outturn	Variance
		£k	£k	£k	£k
Leisure Centres Management Fee Income	Red	(714)	(85)	(151)	+563

Garden Waste Collection Service Subscriptions	Green	(1,622)	(1,521)	(1,622)	0
Commercial Refuse & Recycling Service Income	Green	(1,267)	(701)	(1,267)	0
Planning Application Fees (including fees for pre-application advice)	Green	(1,188)	(961)	(1,188)	0
Car Parking Fees	Amber	(1,978)	(555)	(1,928)	+50
Parking Penalty Charge Notices (PCNs)	Green	(573)	(143)	(573)	0

8.7. The 2024/25 year end position for PCNs was shown as TBC. In preparing the Statement of Accounts this total was £514k. There is likely to be a further increase to this total as there will be cash sitting that was sitting in suspense accounts that will be allocated to PCN income. Significant progress is being made on clearing these balances.

8.8. Table 5 below indicates current activity levels, where these drive financial performance, and how these compare to the prior year to indicate the direction of current trends. As performance against the planning applications fee income budget is generally determined by the number of large applications resolved in the year (rather than the total number of applications received), and this distinction is not captured in the data available, this indicator is omitted from table 5.

**Table 5 - Corporate financial health indicators – activity drivers**

Indicator	Activity Measure	Performance Q1 2025/26	Performance Q1 2024/25	Percentage Movement	Direction of Trend
Leisure Centres Management Fee	Number of Leisure Centre visits in quarter	462,992	399,264	+16.0%	
Garden Waste Collection Service	Number of bin subscriptions at end of quarter	TBC	32,866	TBC	TBC
Commercial Refuse & Recycling Service	Number of customers at end of quarter	931	963	-3.3%	
Car Parking Fees	Car park tickets sold / average ticket price sold during quarter	298,891 / £1.68	281,349 / £1.77	+6.2% / -4.9%	
Parking Penalty Charge Notices	Number of PCNs issued during quarter	5,780	3,894	+48.4%	

## **FUNDING, RISK AND GENERAL FUND BALANCE**

8.9. The Council's revenue budget is funded primarily from Council Tax and Retained Business Rates income. In November 2024, central government guaranteed an amount of Extended Producer Responsibility (EPR) funding in 2025/26. The Council was subsequently notified by Central Government in February 2025 of the amount of New Homes Bonus, Employer National Insurance Contributions Grant and Funding Guarantee Grant it could expect to receive in 2025/26 and planned accordingly.

8.10. Council Tax and Business Rates are accounted for in the Collection Fund rather than directly in our accounts, as we also collect them on behalf of other bodies. Each organisation has a share of the balance on the Collection Fund account. The Council must repay in this year its share of the Council Tax deficit for the prior year and will receive in this year its share of the Business Rates Collection Fund surplus for the prior

year, as estimated in January 2025. As reported previously, this means a contribution from the Council Tax Collection Fund to the General Fund of £144k and a contribution to the General Fund of £98k from the Business Rates Collection Fund. While the transfer of the Council Tax surplus amount of £144k is included in the funding total in table 7, the business rates surplus will be transferred to reserve and used to mitigate the impact of deficits recorded, and/or changes to the rates retention scheme, in future years. It is also reviewed as part of the Medium-Term Financial Strategy and budget process to assess whether it can be used to support the General Fund budget. The final totals recorded at the end of the last financial year was a surplus of £132k in respect of Council Tax and a business rates surplus of £2.404million. The difference between the January estimates and the final position will affect the calculation of the surplus / deficit for 2025/26 and hence funding available in 2026/27.

- 8.11. The Council is also subject to a business rates levy from Central Government where it collects more in business rates than the baseline determined by Central Government. The current forecast for 2025/26 is a business rates levy liability of around £1.5million at the end of the financial year. The final amount payable will however depend on the actual level of business rates income collected during the year. In any case, the business rates levy payable will be funded from grant held in reserve and as such will have a net zero impact on the General Fund balance at the end of the year.
- 8.12. In previous years, the government department with responsibility for Local Government has written to Local Authority Chief Finance Officers to invite applications to be part of a Business Rates Pool in the following financial year. This letter has usually been received in September. Being part of a Pool can reduce the levy that the Council must pay and therefore increase the amount of business rates income retained by the authority. This was the case in the last financial year, with the Council benefiting from a 'pooling gain' (reduction in levy otherwise payable) of more than £1.5million. As part of Fairer Funding changes there is due to be a business rates reset for 2026/27 so that may remove any benefit from pooling. The work being undertaken by MHCLG on Fairer Funding and/or Local Government Reorganisation may also mean that they do not make the pooling option available. If the option is available for 2026/27, the County Council is likely to engage specialist consultants to determine the optimum pool membership, and it is possible that we would form part of such an optimum Pool for Hertfordshire. An optimum pool would be comprised of the County Council and up to 5 District / Borough Councils. Recommendation 2.4 therefore seeks that the final decision is delegated to the Director-Resources in consultation with the Executive Member for Resources.
- 8.13. The Council receives compensation in the form of a grant from Central Government for business rate reliefs introduced, which goes into our funds rather than the Collection Fund. The final amount of grant the Council can retain depends on the actual level of reliefs applied during the year. The Council currently expects to receive a total grant allocation of £4.445m for reliefs in 2025/26, which includes an amount of £620k received as compensation for the Government's previous decisions to cap the increases in the business rates multiplier. The multiplier compensation is included in the funding total in table 7 below. The rest of the grant received is held in reserve. Some of the amount held in reserve will be used to fund the business rates levy payable for this year, while a further £1.3million will be used to top up the business rates income charged to the General Fund in 2025/26 to the baseline funding amount anticipated when the budget was set. In addition, as shown in table 7 below, there will be the planned release of £2.861million from the reserve to the General Fund in 2024/25 to bridge the funding gap anticipated when the budget was set.

- 8.14. In July the Council received notification from DEFRA of the payment currently anticipated to the Council in respect of extended Producer Responsibility (EPR) for packaging for 2025/26 (Year 1 of the scheme). The updated assessment indicated a total funding amount for 2025/26 of £1.747million, which is £312k more than the guaranteed amount of £1.435 million from the previous assessment in November 2024 included in the original funding estimates. Part of that increase is to fund the Flex Collect trial (see table 3). While the revised total is included in the funding projected outturn in table 7 below, it should be noted that, as the latest estimate is higher than the guaranteed amount, the additional income (above the amount to fund the Flex Collect trial) is not guaranteed by DEFRA and is subject to sufficient recovery of funds from producers.
- 8.15. Table 7 below summarises the impact on the General Fund balance of the position at Quarter One detailed in this report.

**Table 7 – General Fund impact**

	<b>Working Budget</b>	<b>Projected Outturn</b>	<b>Difference</b>
	<b>£k</b>	<b>£k</b>	<b>£k</b>
<b>Brought Forward balance (1<sup>st</sup> April 2024)</b>	<b>(16,067)</b>	<b>(16,067)</b>	<b>-</b>
Net Expenditure	24,043	24,496	453
Funding (Council Tax, Business Rates, EPR, NHB, ENIC, Funding Guarantee)	(20,053)	(20,365)	(312)
Funding from Reserves (including Business Rate Relief Grant)	(2,861)	(2,861)	0
<b>Carried Forward balance (31<sup>st</sup> March 2025)</b>	<b>(14,938)</b>	<b>(14,797)</b>	<b>141</b>

- 8.16. The minimum level of General Fund balance is determined based on known and unknown risks. Known risks are those things that we think could happen and we can forecast both a potential cost if they happen, and percentage likelihood. The notional amount is based on multiplying the cost by the potential likelihood. The notional amount for unknown risks is based on 5% of net expenditure. There is not an actual budget set aside for either of these risk types so, when they occur, they are reflected as budget variances (see table 3). We monitor the level of known risks that actually happen, as it highlights whether there might be further variances. This would be likely if a number of risks come to fruition during the early part of the year. We also use this monitoring to inform the assessment of risks in future years. The notional amount calculated at the start of the year for known risks was £1,077k, and at the end of the first quarter a total of £1,298k has come to fruition. The identified risks realised in the first quarter relate to:

- Costs associated with a challenge to a decision of the Council. Legal and consultants' fees incurred from two planning appeals requiring public inquiries, as highlighted in table 3 above - £98k.
- Loss of revenue due to full or partial closures of the Council's leisure centres while the decarbonisation works take place, as highlighted in table 3 above - £1.2million.

**Table 8 – Known financial risks**

	<b>£'000</b>
<b>Original allowance for known financial risks</b>	<b>1,077</b>
Known financial risks realised in Quarter 1	(1,298)
<b>Remaining allowance for known financial risks</b>	<b>(221)</b>

## **DEBT WRITE-OFF**

- 8.17 Under our Financial Regulations, Cabinet must approve debt write-offs over £10,000. Write-offs are used where we think there is no chance of recovering the debt. In recommendation 2.5 Cabinet are asked to approve a write-off of £11,326.64 of debt relating to Housing Benefit. The Housing Benefit payments were made between 2015 and 2017. An invoice for the overpayments was produced in 2017. That was followed by a reminder and a final demand in February 2018. We went through the process of obtaining an Attachment of Earnings which resulted in receiving payments of £883.25, but then the individual's income dropped below the threshold. Due to the individual's circumstances an Attachment of Benefits is not possible. The debt was passed to collection agents in October 2024. They have advised the only remaining option is for a committal, but that is not an option that we use for Housing Benefit debt. Therefore it is proposed to write-off the remaining debt of £11,326.64. Given the age of the debt there will be a full bad debt provision in place.

## **9. LEGAL IMPLICATIONS**

- 9.1. The Cabinet has a responsibility to keep under review the budget of the Council and any other matter having substantial implications for the financial resources of the Council. Specifically, 5.7.8 of Cabinet's terms of reference state that it has remit "*to monitor quarterly revenue expenditure and agree adjustments within the overall budgetary framework*". By considering monitoring reports throughout the financial year Cabinet is able to make informed recommendations on the budget to Council. The Council is under a duty to maintain a balanced budget and to maintain a prudent balance of reserves.
- 9.2. The recommendations contained within this report are to comply with the council's financial regulations with attention drawn to significant budget variances as part of good financial planning to ensure the council remains financially viable over the current fiscal year and into the future. Local authorities are required by law to set a balanced budget for each financial year. During the year, there is an ongoing responsibility to monitor spending and ensure the finances continue to be sound. This means there must be frequent reviews of spending and obligation trends so that timely intervention can be made ensuring the annual budgeting targets are met.
- 9.3. The Council's Financial Regulations (section 19 of the Constitution state in paragraph 15.5 that "[d]ebts can be written off where they have been raised correctly, have not been paid and it is determined that there is no prospect of collecting the amount owed." It goes on to state that debt write-offs over £10,000 are approved by Cabinet. The exception to that limit is that "T[t]he Director- Resources will also approve the write off of all debts where the debtor is declared bankrupt, is in liquidation or subject to an Individual Voluntary Arrangement, and where the debtor is deceased and there are insufficient funds in the estate to repay the debt".

## **10. FINANCIAL IMPLICATIONS**

- 10.1. Members have been advised of any variations from the budgets in the body of this report and of any action taken by officers.

## **11. RISK IMPLICATIONS**

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

- 11.2. As outlined in the body of the report. The process of quarterly monitoring to Cabinet is a control mechanism to help to mitigate the risk of unplanned overspending of the overall Council budget.

## **12. EQUALITIES IMPLICATIONS**

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2. For any individual new revenue investment proposal of £50k or more, or affecting more than two wards, a brief equality analysis is required to be carried out to demonstrate that the authority has taken full account of any negative, or positive, equalities implications; this will take place following agreement of the investment.

## **13. SOCIAL VALUE IMPLICATIONS**

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

## **14. ENVIRONMENTAL IMPLICATIONS**

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

## **15. HUMAN RESOURCE IMPLICATIONS**

- 15.1. Although there are no direct human resource implications at this stage, care is taken to ensure that where efficiency proposals or service reviews may affect staff, appropriate communication and consultation is provided in line with HR policy.

## **16. APPENDICES**

- 16.1. None.

## **17. CONTACT OFFICERS**

- 17.1. Antonio Ciampa, Accountancy Manager  
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- 17.2. Ian Couper, Director – Resources  
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## **18. BACKGROUND PAPERS**

- 18.1. None.

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<b>CABINET</b> <b>23 September 2025</b>
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<b>*PART 1 – PUBLIC DOCUMENT</b>
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**TITLE OF REPORT: FIRST QUARTER TREASURY MANAGEMENT REVIEW 2025/26**

REPORT OF: DIRECTOR - RESOURCES

EXECUTIVE MEMBER: RESOURCES

COUNCIL PRIORITY: SUSTAINABILITY

**1 EXECUTIVE SUMMARY**

- 1.1 To update Cabinet on progress with delivering the treasury strategy for 2025/26, as at the end of June 2025.
- 1.2 To inform Cabinet of the Treasury Management activities in the first three months of 2025/26. The current forecast is that the amount of investment interest expected to be generated during the year is £1.825M. This is an increase of £1.0M on the original budget.

**2 RECOMMENDATIONS**

- 2.1 Cabinet is asked to note the position of Treasury Management activity as at the end of June 2025.

**3. REASONS FOR RECOMMENDATIONS**

- 3.1 To ensure the Council's continued compliance with CIPFA's code of practice on Treasury Management and the Local Government Act 2003 and that the Council manages its exposure to interest and capital risk.

**4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 The primary principles governing the Council's investment criteria are the security of its investments (ensuring that it gets the capital invested back) and liquidity of investments (being able to get the funds back when needed). After this the return (or yield) is then considered, which provides an income source for the Council. In relation to this the Council could take a different view on its appetite for risk, which would be reflected in the Investment Strategy. In general, greater returns can be achieved by taking on greater risk. Once the Strategy has been set for the year, there is limited scope for alternative

options as Officers will seek the best return that is in accordance with the Investment Strategy

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

- 5.1 There are regular updates and meetings with Treasury advisors (MUFG, previously known as Link).

## **6. FORWARD PLAN**

- 6.1 This report contains a recommendation on a key Executive decision that was first notified to the public in the Forward Plan on the 25th July 2025.

## **7. BACKGROUND**

- 7.1 In February 2025, Council approved the Integrated Capital and Treasury Strategy for 2025/26 to 2034/35. The reports for Capital and Treasury have been split for the quarterly monitoring updates.

- 7.2 MUFG are contracted to provide Treasury advice. The service includes:
- Regular updates on economic and political changes which may impact on the Council's borrowing and investment strategies
  - Information on investment counterparty creditworthiness
  - Technical updates
  - Access to a Technical Advisory Group.

## **8. RELEVANT CONSIDERATIONS**

- 8.1 The Council has £122.0M of capital assets that it currently owns. The Investment Strategy set out the reasons for owning assets that are not for service delivery, including an assessment of Security, Liquidity, Yield and Fair Value. There have been no significant changes in relation to these since the last quarter.
- 8.2 The Council invests its surplus cash in accordance with the Investment Strategy (see paragraph 4.1). This surplus cash is made up of capital funding balances, general fund balance, other revenue reserves and provision balances and variations in cash due to the timing of receipts and payments. During the first three months of 2025/26, the Council had an average investment balance of £50.0M and invested this in accordance with the treasury and prudential indicators as set out in the Integrated Capital and Treasury Management Strategy and in compliance with the Treasury Management Practices.
- 8.10 The Council generated £0.906M of interest in 2025/26 from investments already made during the first three months of the year (and accrued interest from deals made in 2024/25). This includes the interest that will be earned during the remaining nine months of the year on investments that have already been made. The average interest rate on all outstanding investments at the 30th June was 4.51%. (31st March was 5.1%). Based on current investments and forecasts of interest rates and cash balances for the remainder of the year, it is forecast that the Council will generate £1.825M of interest over the whole of 2025/26.

8.11 As at 30th June 2025, the split of investments was as shown in the table below.

Banks	16%
Building Societies	0%
Government	37%
Local Authorities	47%

8.12 The level of risk of any investment will be affected by the riskiness of the institution where it is invested and the period that it is invested for. Where an institution has a credit rating this can be used to measure its riskiness. This can be combined with the period remaining on the investment to give a historic risk of default percentage measure. The table below shows the Historic Risk of Default for outstanding investments at 30th June 2025. The most risky investment has a historic risk of default of 0.016% (this is based on the lowest of the three credit rating agencies for NatWest of A+, the table below shows just the Fitch credit ratings). It should also be noted that in general the interest rate received is correlated to the risk, so the interest income received would be less if the Council took on less risk.

<b>Borrower</b>	<b>Principal Invested £M</b>	<b>Interest Rate %</b>	<b>Credit Rating</b>	<b>Days to Maturity at 30 June</b>	<b>Historic Risk of Default %</b>
Lloyds Bank	3.0	4.04	AA-	1	0.000
DMO	1.0	4.22	AA-	1	0.000
DMO	1.0	4.21	AA-	1	0.000
DMO	4.5	4.21	AA-	1	0.000
Broxbourne Borough Council	1.0	5.7	AA-	7	0.000
Amber Valley Borough Council	3.0	4.6	AA-	10	0.001
Brentwood Borough Council	3.0	4.25	AA-	14	0.001
Cheshire East Council	2.0	4.3	AA-	14	0.001
Wirral Borough Council	2.0	4.25	AA-	14	0.001
DMO	1.0	4.21	AA-	14	0.001
DMO	2.0	4.22	AA-	14	0.001
DMO	2.0	4.21	AA-	18	0.001
DMO	1.0	4.21	AA-	21	0.001
Harlow District Council	2.0	4.25	AA-	23	0.001
Australia & New Zealand Bank	2.0	4.58	AA-	24	0.001
Liverpool City Council	2.0	4.85	AA-	29	0.002
DMO	1.0	4.19	AA-	30	0.002
Australia & New Zealand Bank	1.0	4.53	AA-	31	0.002
DMO	1.0	4.2	AA-	32	0.002
DMO	1.0	4.15	AA-	38	0.002
DMO	1.0	4.16	AA-	63	0.004
Central Beds Council	2.0	4.3	AA-	84	0.005
DMO	2.0	4.13	AA-	93	0.006
Nat West	2.0	4.22	AA-	124	0.016
Eastbourne Borough Council	2.0	4.25	AA-	147	0.006
Uttlesford District Council	2.0	4.25	AA-	150	0.009

<b>Borrower</b>	<b>Principal Invested £M</b>	<b>Interest Rate %</b>	<b>Credit Rating</b>	<b>Days to Maturity at 30 June</b>	<b>Historic Risk of Default %</b>
West Berkshire District Council	2.0	4.28	AA-	154	0.009
Aberdeen City Council	1.0	5.5	AA-	168	0.010
	50.5	4.51			0.003

DMO credit rating is the UK credit rating.

## **9. LEGAL IMPLICATIONS**

- 9.1 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. By considering monitoring reports throughout the financial year Cabinet is able to make informed recommendations on the budget to Council. The Council is under a duty to maintain a balanced budget. The Council is under a duty to maintain a balanced budget. The Chartered Institute of Public Finance and Accountancy's (CIPFA's) 'Code of Practice on Treasury Management 2021' requires that committee to which some treasury management responsibilities are delegated, will receive regular monitoring reports on treasury management activities and risks. This report discharges the Council's statutory and regulatory responsibilities for both the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities. The Council is required to comply with both Codes through Regulations issued under the Local Government Act 2003

## **10. FINANCIAL IMPLICATIONS**

- 10.1 The main financial implications are covered in section 8 of the report.

## **11. RISK IMPLICATIONS**

- 11.1 Good Risk Management supports and enhances the decision-making process, increasing the likelihood of the Council meeting its objectives and enabling it to respond quickly and effectively to change. When taking decisions, risks and opportunities must be considered.
- 11.2 Risks associated with treasury management and procedures to minimise risk are outlined in the Treasury Management Practices document, TMP1, which was adopted by Cabinet in July 2003 and is revisited annually as part of the Treasury Strategy review. The risk on the General Fund of a fall of investment interest below the budgeted level is dependent on banks and building societies need for borrowing.

## **12. EQUALITIES IMPLICATIONS**

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment,

victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.

12.2 There are no direct equalities implications directly arising from this report.

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

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

### **14. ENVIRONMENTAL IMPLICATIONS**

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

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

15.1 There are no direct human resource implications.

### **16. APPENDICES**

16.1 Appendix A, Treasury Management Update.

### **17. CONTACT OFFICERS**

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### **18. BACKGROUND PAPERS**

18.1 Investment Strategy (Integrated Capital and Treasury Strategy)

<https://srvmodgov01.north-herts.gov.uk/documents/s24164/INVESTMENT%20STRATEGY%20INTEGRATED%20CAPITAL%20AND%20TREASURY.pdf>  
<https://srvmodgov01.north-herts.gov.uk/documents/s24165/FAR%20Appendix%20A-%20Integrated%20Capital%20and%20Treasury%20Strategy.docx.pdf>

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Classification: Confidential

# Treasury Management Update

## Quarterly Report

30<sup>TH</sup> JUNE 2025

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# Treasury Management Update

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## Quarter Ended 30<sup>th</sup> June 2025

The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management 2021 recommends that members be updated on treasury management activities at least quarterly. This report, therefore, ensures this Council is implementing best practice in accordance with the Code.

### 1. Economics update

- The first quarter of 2025/26 (1<sup>st</sup> April to 30<sup>th</sup> June) saw:
  - A 0.3% m/m fall in real GDP in April – the first fall since October 2024
  - The 3myy rate of average earnings growth excluding bonuses fall from 5.5% to 5.2% in May
  - Core CPI inflation ease from 3.8% in April to 3.5% in May as temporary Easter-related effects faded
  - The Bank of England cut interest rates from 4.50% to 4.25% in May, holding them steady in June
  - The 10-year gilt yield fluctuate between 4.4% and 4.8%, and end the quarter at 4.50%
- The 0.3% m/m fall in real GDP in April was the first fall since October 2024 and the largest fall since October 2023. This is a significant shift from the 0.7% q/q rise in Q1 2025, probably as a result of the boosts from net exports and business investment unwinding. The decline in exports was mostly due to a reversal of US tariff front-running with export values to the US falling by 31% m/m after rising 34% in total in the five months to February. April's GDP figures also showed manufacturing output falling by 0.9% m/m along with the domestic economy showing signs of weakness in April. Despite construction output growing by 0.9% m/m, services output declined by 0.4% m/m, reversing all of March's 0.4% m/m rise. This weakness in services likely reflects higher labour costs from April's rise in National Insurance Contributions for employers. May's GDP may have fallen a bit further as the boosts in Q1 continued to unwind. Overall, GDP in Q2 is likely to have flatlined and the economy will probably be hindered by subdued overseas demand and domestic businesses cutting spending given a rise in costs due to April's increase in taxes. The Bank of England expects growth in 2025 to be around 0.8%.
- Despite the rise in the composite Purchasing Managers Index (PMI) from 50.3 in May to 50.7 in June, it is still below its level in March, prior to the rise in business taxes and Trump's Liberation Day tariffs. This rise was driven by increases in both the services and manufacturing output balances. Although the services PMI rose from 50.9 to 51.3, that is consistent with non-retail services output growth slowing from 0.5% 3m/3m in April to 0.3% 3m/3m in June.
- The sharp 2.7% m/m drop back in retail sales volumes in May adds to other evidence that the burst of economic growth in Q1 is over. The weakness was widespread with sales falling in all seven of the major categories. This decline was partly due to the unwinding of the previous boost from April's unusually warm and dry weather along with inflationary pressures prompting consumers to cut back. The latter would be a more persistent drag on retail spending. Looking ahead, the rise in the GfK measure of consumer confidence from -20 in May to -18 in June is consistent with the annual rate of real retail sales growth accelerating from -1.3% in May to around +0.5%.
- While the £17.7bn of public sector borrowing in May was higher than the Office of Budget responsibility (OBR) forecast of £17.1bn, borrowing was £2.9bn below the OBR's forecast in the first two months of the 2025/26 fiscal year. The current budget deficit was £12.8bn in May, a touch below the OBR's forecast of £13.0bn. Within that, government spending surprised to the downside. Central government expenditure was £0.5bn lower than the OBR's forecast in May, leaving it £1.6bn lower in April and May combined. That has been largely driven by debt interest payments, which were £1.1bn below the OBR's forecast in May. But if the rises in gilt yields since the Spring Statement in March are sustained, the OBR will revise up its forecast for debt interest payments in the years

ahead. That of itself would knock £1.0bn off the Chancellor's £9.9bn of headroom against her fiscal mandate and the subsequent Government U-turns on benefit and welfare spending and higher borrowing costs may mean to maintain her current £9.9bn buffer, Reeves has to raise upwards of £13bn later this year. And with the gilt market sensitive to significant increases in borrowing, all this means substantial tax rises are looking very likely.

- The weakening in the jobs market is gathering pace. May's 109,000 m/m fall in the PAYE measure of employment was the largest decline (barring the pandemic) since the data began and the seventh in as many months. The monthly change was revised lower in five of the previous seven months too, with April's 33,000 fall revised down to a 55,000 drop. Overall, the payroll measure of employment has now fallen by 276,000 since the announcement of the rise in payroll taxes and the minimum wage in the October Budget. The job vacancies data also portrays a rapidly weakening labour market. The number of job vacancies is now falling a bit faster, dropping from 760,000 in the three months to April to 736,000 in May. Capital Economics' seasonally adjusted measure of single-month vacancies declined sharply from 763,000 in April to 713,000 in May.
- A looser labour market is driving softer wage pressures. The 3myy rate of average earnings growth excluding bonuses fell from 5.5% to 5.2% in May. The rate for the private sector slipped from 5.5% to 5.1%, putting it on track to undershoot the Bank of England's Q2 forecast of 5.2%. And after rising in April as the 6.7% rise in the minimum wage took effect, the timelier PAYE median earnings measure fell back from 6.2% y/y in April to 5.8% in May. Softer wage growth is feeding through to lower services inflation, pointing to a slowdown from 4.7% in May to around 3.0% by the end of the year.
- CPI inflation fell slightly from 3.5% in April to 3.4% in May – close to consensus. The sharp falls in services inflation from 5.4% to 4.7% and in core inflation from 3.8% to 3.5% confirmed that the previous month's jumps partly reflected an Easter-related blip. Services inflation is expected to continue to fall as wage growth slows, supporting a view that CPI inflation will fall close to 2.0% by the start of 2027. An upside risk, however, in the near term is that higher oil/gas and food prices could trigger another bout of second-round effects on wages and inflation expectations, meaning CPI inflation stays above 3.0% for longer and causes the Bank to shift to an even slower rate cutting path. CPI is expected to peak at 3.8% in September.
- The yield on the 10-year gilt moved sideways in the second quarter of 2025. After rising from 4.4% in early April to 4.8% in mid-April following wider global bond market volatility stemming from the "Liberation Day" tariff announcement, gilt yields eased back as trade tensions began to de-escalate. By the end of April, the 10-year gilt yield had returned to 4.4%. In May, concerns about stickier inflation and shifting expectations about the path for interest rates led to another rise, with the 10-year gilt yield fluctuating between 4.6% and 4.75% for most of May. Thereafter, as trade tensions continued to ease and markets increasingly began to price in looser monetary policy, the 10-year yield edged lower, and ended Q2 at 4.50%. We expect this trend to continue over the next year. However, it is more difficult to be confident that the longer part of the curve will also see falls in yields, although that is still our central case, as that part of the curve is increasingly held by transient investors, such as foreign investors and hedge funds. Pension funds and insurance companies have more appetite in the short to medium part of the curve nowadays.
- The FTSE 100 fell sharply following the "Liberation Day" tariff announcement, dropping by more than 10% in the first week of April - from 8,634 on 1<sup>st</sup> April to 7,702 on 7<sup>th</sup> April. However, the de-escalation of the trade war coupled with strong corporate earnings led to a rapid rebound starting in late April. As a result, the FTSE 100 closed Q2 at 8,761, around 2% higher than its value at the end of Q1 and more than 7% above its level at the start of 2025.

## MPC meetings: 8<sup>th</sup> May & 19<sup>th</sup> June 2025

- There were two Monetary Policy Committee (MPC) meetings this quarter. In May, the Committee cut Bank Rate from 4.50% to 4.25%, while in June policy was left unchanged. In June's vote, three MPC members (Dhingra, Ramsden and Taylor) voted for an immediate cut to 4.00%, citing loosening labour market conditions. The other six members were more cautious, as they highlighted the need to monitor for "signs of weak demand", "supply-side constraints" and higher "inflation expectations", mainly from food prices rising. By repeating the well-used phrase "gradual and careful", the MPC continued to suggest that rates will be reduced further.
- At the start of June, amid escalating tensions between Israel and Iran, oil prices surged to over \$75 per barrel. However, following a ceasefire agreement near the end of the month, oil prices eased back to levels prior to the conflict. Given the drop back in energy prices and the relatively muted reaction to fears of a ceasefire violation, along with a large drop in the services PMI output prices balance, our central view is that once inflation begins to trend downwards in the final months of 2025, Bank Rate reductions can begin again from November (pause in August as inflation remains close to its peak), falling to a low of 3.5% in May 2026. However, if the conflict in the Middle East were to result in higher energy prices and/or domestic inflationary pressures grow stronger, there is a risk the Bank of England may skip cutting rates further.

## 2. Interest rate forecasts

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

The latest forecast was provided on 10<sup>th</sup> February:

MUFG Corporate Markets Interest Rate View 10.02.25													
	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28
<b>BANK RATE</b>	4.50	4.25	4.25	4.00	3.75	3.75	3.75	3.50	3.50	3.50	3.50	3.50	3.50
3 month ave earnings	4.50	4.30	4.30	4.00	3.80	3.80	3.50	3.50	3.50	3.50	3.50	3.50	3.50
6 month ave earnings	4.40	4.20	4.20	3.90	3.70	3.70	3.50	3.50	3.50	3.50	3.50	3.50	3.50
12 month ave earnings	4.40	4.20	4.20	3.90	3.70	3.70	3.50	3.50	3.50	3.50	3.50	3.50	3.60
5 yr PWLB	5.00	4.90	4.80	4.70	4.60	4.50	4.40	4.40	4.30	4.20	4.20	4.10	4.00
10 yr PWLB	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.70	4.60	4.50	4.50	4.40	4.40
25 yr PWLB	5.80	5.70	5.60	5.50	5.40	5.30	5.20	5.10	5.00	5.00	4.90	4.90	4.80
50 yr PWLB	5.50	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.70	4.60	4.60	4.50

- Money market yield forecasts are based on expected average earnings by local authorities for 3 to 12 months.
- The MUFG Corporate Markets forecast for average earnings are averages i.e., rates offered by individual banks may differ significantly from these averages, reflecting their different needs for borrowing short-term cash at any one point in time.

The forecast has proved robust over the period since February, setting out a central view that short and long-dated interest rates will start to fall once it is evident that the Bank of England has been successful in squeezing excess inflation out of the economy, despite a backdrop of stubborn inflationary factors. Nonetheless, the longer dated part of the forecast also reflects the increased level of Government borrowing over the term of the current Parliament and the weakness in the public finances, with the Government struggling to deliver on the efficiencies detailed in the 30<sup>th</sup> of October Budget.

Moreover, there is still on-going debate as to when, and if, the Government's policies will lead to a material uptick in growth given their reliance on the logistics of fast-tracking planning permissions, identifying sufficient skilled labour to undertake a resurgence in building, and an increase in the employee participation rate within the economy.

Overall, our central view is that monetary policy is sufficiently tight at present to cater for some further moderate loosening, the extent of which, however, will continue to be data dependent. We forecast the next reduction in Bank Rate to be made in November and for a pattern to evolve whereby rate cuts are made quarterly and in keeping with the release of the Bank's Quarterly Monetary Policy Reports (February, May, August and November). Any movement below a 4% Bank Rate will, nonetheless, be very much dependent on inflation data releases in the coming months.

International factors could also impact the prospect for longer dated gilt yield falls. President Trump's "big, beautiful bill" has successfully made its way through the House of Representatives in July and given that it will signal a continued large budget deficit position in the US finances, any uptick in Treasury yields will likely impact other developed economies markets too. There will also be a keen focus on whether US-driven tariff policies result in upward pressures on inflation.

### 3. Annual Investment Strategy

The Treasury Management Strategy Statement (TMSS) for 2025/26, which includes the Annual Investment Strategy, was approved by the Council on 27/02/25. In accordance with the CIPFA Treasury Management Code of Practice, it sets out the Council's investment priorities as being:

- Security of capital
- Liquidity
- Yield

The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity, aligned with the Council's risk appetite. In the current economic climate, over and above keeping investments short-term to cover cash flow needs, there is a benefit to seeking out value available in periods up to 24 months.

As shown by the charts below and the interest rate forecasts in section 2, investment rates have started to taper downwards during the first quarter of 2025/26 and are expected to fall back further if inflation falls through 2025 and 2026 and the MPC loosens monetary policy more substantially.

#### Creditworthiness.

There have been few changes to credit ratings over the quarter under review. However, officers continue to closely monitor these, and other measures of creditworthiness to ensure that only appropriate counterparties are considered for investment purposes.

#### Investment counterparty criteria

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

#### CDS prices

For UK and international banks, these have remained low, and prices are not misaligned with other creditworthiness indicators, such as credit ratings. **Nevertheless, it remains important to undertake continual monitoring of all aspects of risk and return.**

#### Investment balances

The average level of funds available for investment purposes during the quarter was **£49.7m**. These funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the capital programme.

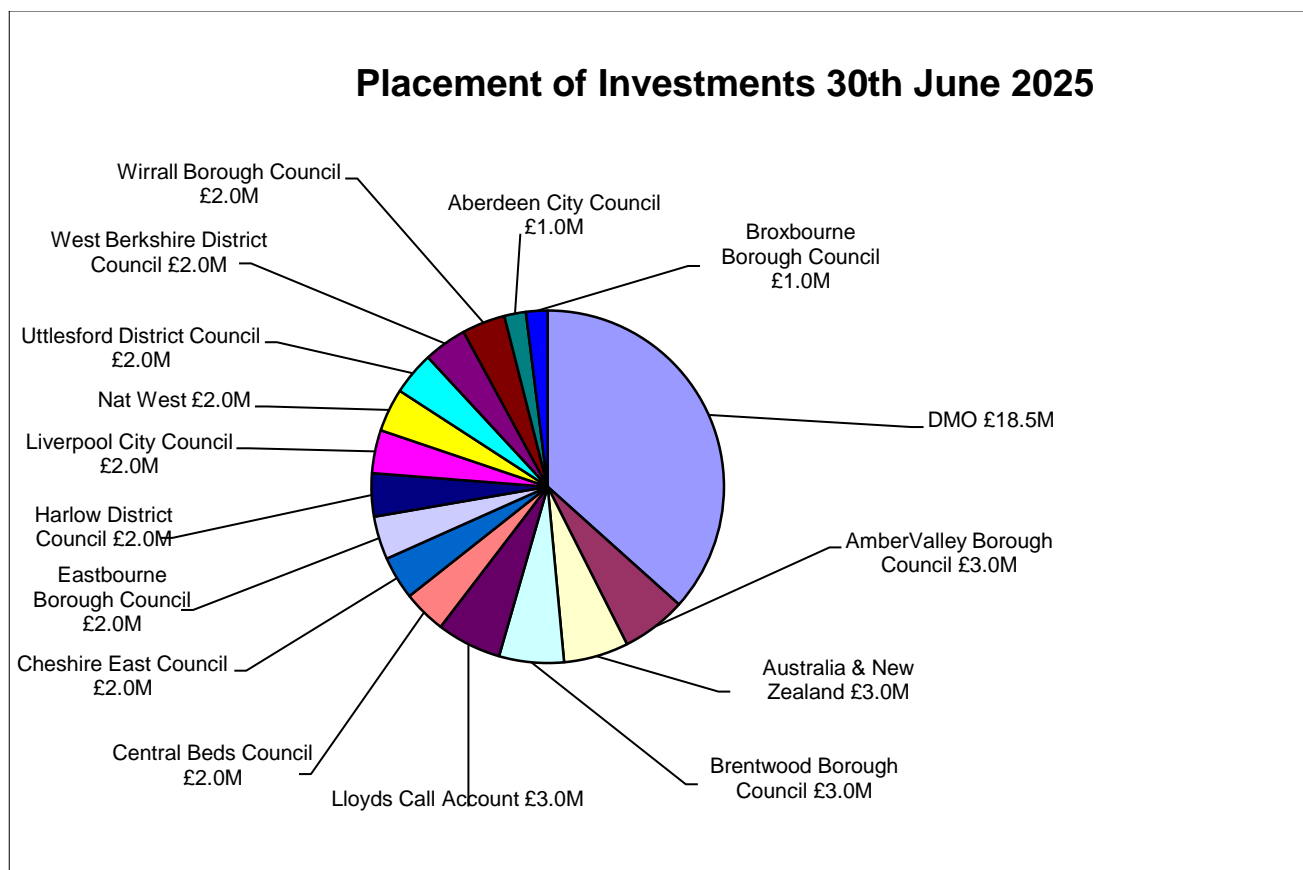
	Amount 30/06/25	Average Interest Rate %
<b>Managed By NHC</b>		
Banks	8,000,000	4.36
Building Societies	0	0
Local Authorities	24,000,000	4.62
Government	18,500,000	4.18
<b>Total</b>	<b>50,500,000</b>	<b>4.51</b>

In percentage terms, this equates to:

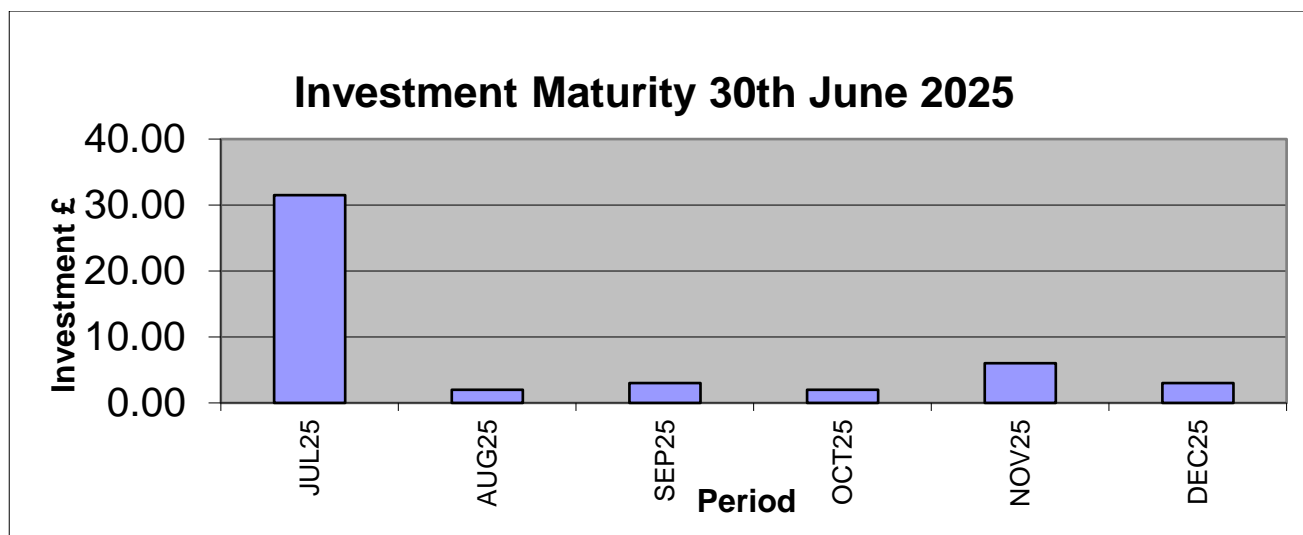
	Percentage
Government	37
Banks	16
Local Authorities	47
Building Societies	0

The approved 25/26 strategy is that no more than 50% of investments should be placed with Building Societies and Property Funds with a maximum value of £11M. The value at 30 June was zero.

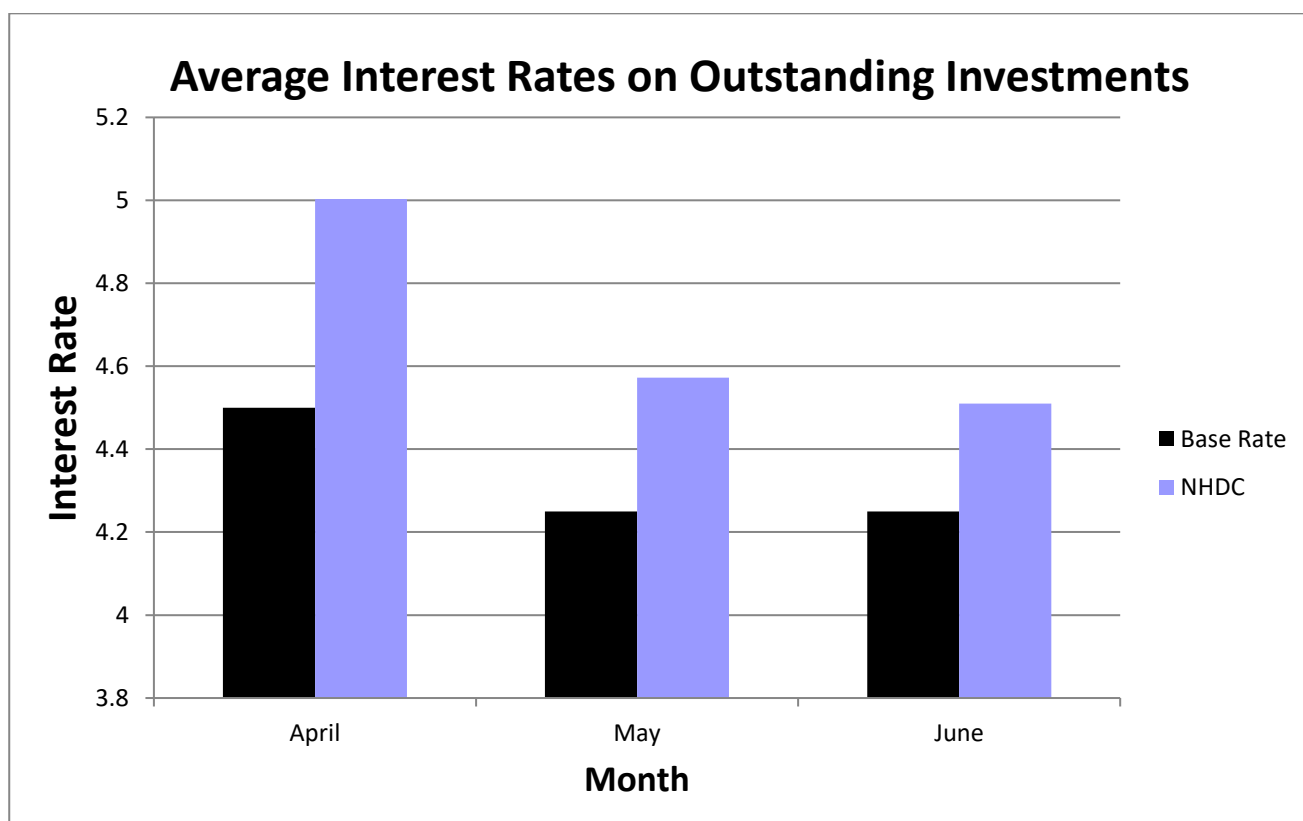
The pie chart below shows the spread of investment balances as at 30 June 2025. This is a snapshot in time that demonstrates the diversification of investments.



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



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



**Approved limits**

Officers can confirm that the approved limits within the Annual Investment Strategy were not breached during the quarter ended 30<sup>th</sup> June 2025.

**4. Borrowing**

No borrowing was undertaken during the quarter ended 30 June 2025.

It is anticipated that new borrowing will be undertaken during this financial year but this is dependant on the spend in the Capital Programme.

Loans Outstanding at 31 June 2025:

	Amount	Average Interest Rate
	£	%
Public Works Loans Board	£315k	10.83

Estimated outstanding debt:

Year	Forecast Borrowing £m	Forecast other long-term liabilities £m *	Less: Internal Borrowing £m	Forecast Total External Debt £m	Operational Boundary £m	Authorised Limit £m
31 <sup>st</sup> March 2026 (Forecast)	24.199	5.600	23.894	5.905	9.0	14.00
31 <sup>st</sup> March 2026 (Forecast)	24.484	4.809	24.194	5.099	7.0	12.0
31 <sup>st</sup> March 2028 (Forecast)	24.544	4.017	24.269	4.292	6.0	11.0
31 <sup>st</sup> March 2029 (Forecast)	26.392	3.442	26.127	3.489	5.0	10.0
31 <sup>st</sup> March 2030 (Forecast)	30.122	2.431	29.865	2.688	4.0	9.0

\* Comprises the finance lease relating to Letchworth Multi-storey car park and impact of the finance lease for waste vehicles.

The external borrowing forecast can be used to give an indication of the borrowing that may be required, which is combined with outstanding existing borrowing. The Council will also borrow for short-term cash-flow needs if required. The actual borrowing that is taken out will depend on the latest forecasts and the offers that are available at the time that it is required. There will also be a consideration of when any other borrowing becomes due, with the aim of achieving a spread of these dates. This is to try and avoid refinancing risk. The Council is required to set indicators for the maturity structure of its borrowing. Given the low level of borrowing that the Council currently has and is forecast to have, it is considered appropriate to maintain full flexibility as to the exact duration of any borrowing undertaken.

To manage refinancing risk, the Council sets limits on the maturity structure of its borrowing. However, these indicators are set relatively high to provide sufficient flexibility to respond to opportunities to repay or take out new debt (if it was required), while remaining within the parameters set by the indicators.

Maturity Period	Lower %	Upper %
Under 12 months	0	100
12 months to 2 years	0	100
2 years to 5 years	0	100
5 years to 10 years	0	100
10 years to 20 years	0	100
20 years and above	0	100

The Prudential Indicator below considers the cost of borrowing as a % of the net revenue budget of the Council.

Year	Estimated cost of borrowing £m	Forecast net revenue budget £m	Estimated cost of borrowing as a % of net revenue budget
2025/26	0.034	24.428	0.139
2026/27	1.835	22.104	8.302
2027/28	1.829	21.219	8.620
2028/29	1.630	20.520	7.943
2029/30	1.508	19.777	7.625

The Council is required to set a prudential indicator that estimates financing costs (cost of borrowing less income from investments) as a percentage of its net revenue budget.

Year	Estimated cost of borrowing £m	Less: Forecast of interest earned £m	Net Financing Costs £m	Forecast net revenue budget £m	Estimated cost of borrowing as a % of net revenue budget
2025/26	0.034	1.825	-1.791	24.428	-7.332
2026/27	1.835	0.445	1.390	22.104	6.288
2027/28	1.829	0.381	1.448	21.219	6.824
2028/29	1.630	0.292	1.338	20.520	6.520
2029/30	1.508	0.162	1.346	19.777	6.806

## **5. Debt rescheduling**

No debt rescheduling was undertaken during the quarter.

## **6. Compliance with Treasury and Prudential Limits**

The prudential and treasury Indicators are shown in Appendix 1.

It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits, During the quarter ended 30<sup>th</sup> June 2025, the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement for 2025/26. The Director of Finance reports that no difficulties are envisaged for the current or future years in complying with these indicators.

All treasury management operations have also been conducted in full compliance with the Council's Treasury Management Practices.

## APPENDIX 1: Prudential and Treasury Indicators for 2025-26 as of 30<sup>th</sup> June 2025

Treasury Indicators	2025/26 Budget £'000	30.06.25 Actual £'000
Authorised limit for external debt	14,000	315
Operational boundary for external debt	9,000	315
Gross external debt	6,289	315
Investments	22,000 Average for year	50,500
Net borrowing	-15,711	-50.185
Maturity structure of fixed rate borrowing - upper and lower limits		
Under 12 months	21	21
12 months to 2 years	21	21
2 years to 5 years	40	40
5 years to 10 years	15	15
Over 10 years	250	250
Upper limit for principal sums invested over 365 days	6,000	0
Prudential Indicators	2025/26 Budget £'000	30.06.25 Actual £'000
Capital expenditure	27,502	1,357
Capital Financing Requirement (CFR)	20,600	668
In year borrowing requirement	19,947	1,260
Ratio of financing costs to net revenue stream	1.9%	-1.31%



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**CABINET**  
**23 September 2025**

**\*PART 1 – PUBLIC DOCUMENT**

**TITLE OF REPORT: FIRST QUARTER CAPITAL BUDGET MONITORING REVIEW 2025/26**

**REPORT OF: DIRECTOR - RESOURCES**

**EXECUTIVE MEMBER: RESOURCES**

**COUNCIL PRIORITY: SUSTAINABILITY**

**1 EXECUTIVE SUMMARY**

- 1.1 To update Cabinet on progress with delivering the capital programme for 2025/26, as at the end of June 2025.
- 1.2 To update Cabinet on the impact upon the approved capital programme for 2025/26 – 2034/35. The current estimate is a decrease in spend in 2025/26 of £0.412M and an increase in spend in future years of £1.446M (£0.838M in 2026/27 and £0.608M 2027/28). The most significant individual changes to the forecast spend in 2025/26 is the removal of the £0.563M budget for Solar for Business, the addition of the Government's new energy efficiency scheme – Warm Homes £0.319M, reprofiling £0.250M into 2026/27 for resurfacing Broadway Gardens and increasing phase 2 of the Decarbonisation project by £0.122M.

**2 RECOMMENDATIONS**

- 2.1 That Cabinet notes the forecast expenditure of £27.624M in 2025/26 on the capital programme, paragraph 8.3 refers.
- 2.2 That Cabinet approves the adjustments to the capital programme for 2026/27 onwards, as a result of the revised timetable of schemes detailed in table 2 and 3, increasing the estimated spend in 2026/27 by £0.838M and £0.608M in 2027/28.
- 2.3 That Cabinet notes the position of the availability of capital resources, as detailed in table 4 paragraph 8.6 and the requirement to keep the capital programme under review for affordability.
- 2.4 That Cabinet recommends to Council that they approve a capital budget of £1.275M (£0.319M in 25/26, £0.478 in 26/27 and £0.478M in 27/28) for the Government's new energy efficiency Warm Homes Scheme. This will be fully funded from Government grants, paragraph 8.5 refers.

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

- 3.1 Cabinet is required to approve adjustments to the capital programme and ensure the capital programme is fully funded.

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

- 4.1 Options for capital investment are considered as part of the Corporate Business Planning process.

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

- 5.1 Consultation on the capital expenditure report is not required. Members will be aware that consultation is incorporated into project plans of individual capital schemes as they are progressed.

### **6. FORWARD PLAN**

- 6.1 This report contains a recommendation on a key Executive decision that was first notified to the public in the Forward Plan on the 25th July 2025.

### **7. BACKGROUND**

- 7.1 In February 2025, Council approved the Integrated Capital and Treasury Strategy for 2025/26 to 2034/35. The reports for Capital and Treasury have been split for the quarterly monitoring updates.

### **8. RELEVANT CONSIDERATIONS**

- 8.1 The Council has £127.0M of capital assets that it currently owns. The Investment Strategy set out the reasons for owning assets that are not for service delivery, including an assessment of Security, Liquidity, Yield and Fair Value. There have been no significant changes in relation to these since the last quarter.

#### **Capital Programme 2025/26**

- 8.2 The full capital programme is detailed in Appendix A and shows the revised costs to date, together with the expected spend from 2025/26 to 2035/36 and the funding source for each capital scheme.
- 8.3 Capital expenditure for 2025/26 is estimated to be **£27.624M**. This is an increase of **£6.561M** on the forecast in the Investment Strategy 2025/26 report (reported to Council 27th February 2025). Table 1 below details changes to capital programme.

**Table 1- Current Capital Estimates**

	2025/26 £M	2026/27 £M	2027/28 to 2035/36 £M
<b>Original Estimates approved by Full Council February 2025</b>	<b>21.063</b>	<b>5.147</b>	<b>18.413</b>
<b>Changes approved by Cabinet in 3rd Qrt 2024/25</b>	0.627		
<b>Public Sector Decarbonisation project</b>	1.143		
<b>Changes approved by Cabinet in 2024/25 Capital Outturn report</b>	5.203		
<b>Executive Member – Finance and I.T. approved additional Expenditure</b>	0.040		
<b>Changes at Q1</b>	-0.452	0.838	0.608
<b>Current Capital Estimates</b>	<b>27.624</b>	<b>5.985</b>	<b>19.021</b>

8.4 Table 2 lists the schemes in the 2025/26 Capital Programme that will now start or continue in 2026/27 and onwards:

**Table 2: Scheme Timetable Revision:**

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

<b>Scheme</b>	<b>2025/26 Working Budget £'000</b>	<b>2025/26 Forecast £'000</b>	<b>Difference £'000</b>	<b>Reason for Difference</b>	<b>Estimated impact on 2026/27 onwards £'000</b>
Bancroft Lighting	45	0	-45	A review of all Green Space projects planned for 25/26 was undertaken to prioritise which schemes were achievable in this financial year. Based on staff capacity, the schemes listed here have been reprofiled into future years to allow more time to plan thoroughly.	45
Swinburne Recreation Ground Hitchin	30	0	-30		30
KGV Muga Hitchin	55	0	-55		55
Baldock Road Recreation Ground Letchworth	30	0	-30		30
Broadway Gardens Resurfacing	250	0	-250		250
Instal On Street Charging	50	0	-50	Other projects have taken priority this year, so on street charging will not be reviewed until next financial year.	50
<b>Other minor changes</b>			-30		30
<b>Total Revision to Budget Profile</b>			<b>-490</b>		<b>490</b>

- 8.5 There are also changes to the overall costs of schemes in 2025/26. These changes total a net decrease of £0.281million and are detailed in Table 3

**Table 3: Changes to Capital Schemes Commencing in 2025/26:**

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

Scheme	2025/26 Working Budget £'000	2025/26 Forecast Spend £'000	Difference £'000	Comments
Solar for Business	563	0	-563	The project oversight group for Solar for Business concluded that continuing with the pilot project of Solar for Business would not constitute best use of resources, due to the challenges of attracting suitable business interest and businesses being able to take up our offer. Particularly as the focus of the project was to contribute towards our emissions targets, it is the oversight group's view that there are actions with better carbon outcomes in the sustainability strategy that we should be using our limited resources on.
S106 Projects	193	333	+140	In addition to the £193K Original budget allocated for Funding for Additional Social Housing, to date a total of £140K of S106 funds have been released for community schemes.

<b>Scheme</b>	<b>2025/26 Working Budget £'000</b>	<b>2025/26 Forecast Spend £'000</b>	<b>Difference £'000</b>	<b>Comments</b>
Public Sector Decarbonisation Fund Phase 2	730	852	+122	<p>Due to the technical nature of the project and limited officer technical expertise and resource, it is recommended that the Council appoint an external Quantity Surveyor for the Decarbonisation Phase 2 project to oversee North Herts Council's interests. Services would include producing the project programme, providing cost input into key design decisions, reviewing Contractor cost plan, administering the construction contract, leading any necessary value engineering, managing completion and handover process. The cost of appointing a QS to the project is £92,000.</p> <p>Under the Building Safety Act, the Council are also required to appoint a "Principal Designer" (PD), in addition to the Principal Designer required within the Construction Design Management Regs 2015 (CDM). The principal designer will plan, manage and monitor the design work during the design phase, as well as appraise and challenge design work in a way that helps designers to reach consensus and ensure that the council's interests are looked after. The budget required for this role is £30k.</p>
Infrastructure Hardware	375	395	+20	The extra cost is for additional software that is needed to make us legally compliant with the DWP. £20K increase will be funded from new burdens
<b>Other minor changes</b>			<b>0</b>	
<b>Total revision to scheme spend</b>			<b>281</b>	

In addition to the above is the £0.319M budget for the Government's new energy efficiency Warm Homes Scheme. Warm Homes Local Grant is a government funded scheme aiming to provide energy efficiency improvements to low income households with the aim of tackling fuel poverty and reducing emissions. NHC was awarded £1.5m over three years to support this project with up to £318,750 of capital spend in 2025/26. This would relate to installing energy efficiency measures, such as insulation, and low carbon heating, such as heat pumps, at around 26 homes in North Herts. We have appointed the National Energy Foundation to deliver the scheme locally.

- 8.6 Table 4 below shows how the Council will fund the 2025/26 capital programme.

**Table 4: Funding the Capital Programme:**

	2025/26 Balance at start of year £M	2025/26 Forecast Additions £M	2025/26 Forecast Funding Used £M	2025/26 Balance at end of year £M
Useable Capital Receipts and Set-aside Receipts	1.273	0.0	(1.263)	0.010
S106 receipts			(0.360)	
Other third party grants and contributions			(2.702)	
Revenue Contribution			(3.230)	
Borrowing			(20.069)	
<b>Total</b>			<b>(27.624)</b>	

- 8.7 The availability of third-party contributions and grants to fund capital investment is continuously sought in order to reduce pressure on the Council's available capital receipts and allow for further investment. Additional capital receipts are dependent on selling surplus land and buildings. Ensuring that the Council gets best value from the disposal of land and buildings can take a long time and therefore the amounts that might be received could be subject to change.
- 8.8 The Council's Capital Financing Requirement (CFR) at 31<sup>st</sup> March 2025 was negative £0.59M. Based on current forecasts it will become positive during 2025/26 as the Council does not have sufficient funding (e.g. Capital Receipts) to finance the Capital programme. This means the Council will have to borrow to fund the programme in this year, with MRP (Minimum Revenue Provision) charged to the General Fund in 2026/27.

## 9. LEGAL IMPLICATIONS

- 9.1 Cabinet's terms of reference under 5.6.7 specifically includes "to monitor expenditure on the capital programme and agree adjustments within the overall budgetary framework". The Cabinet also has a responsibility to keep under review the budget of the Council and any other matter having substantial implications for the financial resources of the Council. Asset disposals must be handled in accordance with the Council's Contract Procurement Rules within the Constitution.
- 9.2 Paragraph 4.4.1 c) of the constitution details that Council will approve the budget. Therefore any significant additions to the budget should be approved by Council. Therefore the decision to add the Warm Homes capital budget is referred to Council.
- 9.3 The Council is under a duty to maintain a balanced budget as set out in Section 151 of the Local Government Act 1972 which states:  
"every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs."

- 9.4 Further, Section 28 of the Local Government Act 2003 requires to Council to periodically conduct a budget monitoring exercise of its expenditure and income against the budget calculations during the financial year. There is no statutory requirement of the regularity of such reviews, but quarterly seems to be entirely appropriate. By considering monitoring reports throughout the financial year Cabinet is able to make informed recommendations on the budget to Council. If the monitoring establishes that the budgetary situation has deteriorated, the Council must take such remedial action as it considers necessary to deal with any projected overspends. This report allows for the periodic monitoring of the budget thereby discharging the Council's statutory obligations.

## **10. FINANCIAL IMPLICATIONS**

- 10.1 The main financial implications are covered in section 8 of the report.
- 10.2 The Council operates a tolerance limit on capital projects that depends on the value of the scheme and on this basis over the next ten-year programme it should be anticipated that the total spend over the period could be around £4.1M higher than the budgeted £52.630M.
- 10.3 The capital programme will need to remain under close review due to the limited availability of capital resources and the affordability in the general fund of the cost of using the Council's capital receipts. When capital receipts are used and not replaced the availability of cash for investment reduces. Consequently interest income from investments reduces. £1.0M currently earns the Authority approximately £40k per year in interest. The general fund estimates are routinely updated to reflect changes in income from investments. When the Capital Financing Requirement (CFR) reaches zero the Council will need to start charging a minimum revenue provision to the general fund for the cost of capital and will need to consider external borrowing for further capital spend. The CFR at the 31 March 2025 was negative £0.59M.
- 10.4 The Council also aims to ensure that the level of planned capital spending in any one year matches the capacity of the organisation to deliver the schemes to ensure that the impact on the revenue budget of loss of cash-flow investment income is minimised.

## **11. RISK IMPLICATIONS**

- 11.1 Good Risk Management supports and enhances the decision-making process, increasing the likelihood of the Council meeting its objectives and enabling it to respond quickly and effectively to change. When taking decisions, risks and opportunities must be considered.
- 11.2 The inherent risks in undertaking a capital project are managed by the project manager of each individual scheme. These are recorded on a project risk log which will be considered by the Project Oversight Group (if applicable). The key risks arising from the project may be recorded on IdeaGen (the Council's Performance & Risk management software).

## **12. EQUALITIES IMPLICATIONS**

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2 There are no direct equalities implications directly arising from the adoption of the Capital Programme for 2025/26 onwards. For any individual new capital investment proposal of £50k or more, or affecting more than two wards, an equality analysis is required to be carried out. This will take place following agreement of the investment proposal.

## **13. SOCIAL VALUE IMPLICATIONS**

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

## **14. ENVIRONMENTAL IMPLICATIONS**

- 14.1. There are no known Environmental impacts or requirements that apply to recommendations of this report. The projects at section 8.4 may have impacts that contribute to an adverse impact. As these projects go forward, an assessment will be made where necessary.

## **15. HUMAN RESOURCE IMPLICATIONS**

- 15.1 There are no direct human resource implications.

## **16. APPENDICES**

- 16.1 Appendix A, Capital Programme Detail including Funding 2025/26 onwards.

## **17. CONTACT OFFICERS**

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## **18. BACKGROUND PAPERS**

- 18.1 Investment Strategy (Integrated Capital and Treasury Strategy)

<https://srvmodgov01.north-herts.gov.uk/mgChooseDocPack.aspx?ID=3597&SID=12127>

		2025/26 to 2030/31						Funding				
Project	Service Directorate	2025/26 Funding £	2026/27 Funding £	2027/28 Funding £	2028/29 Funding £	2029/30 Funding £	2030/31 - 2034/35 Funding £	Funded from Other Grants	Funded from Government Grant	Funded from s106 contributions	Funded from Revenue / IT Reserve	Balance funded from Capital Receipts/ Set-aside receipts/ Borrowing
40 KVA UPS Device or Battery Replacement	Customers	12,000	0	0	0	0	0	0	0	0	0	12,000
Air conditioning at Hitchin Town Hall	Enterprise	100,000	0	0	0	0	0	0	0	0	0	100,000
Air Handling Humidification	Enterprise	15,000	0	0	0	0	0	0	0	0	0	15,000
Alternative to safeword tokens for staff/members working remotely	Customers	9,900	0	0	0	0	0	0	0	0	0	9,900
An alternative set of 25 machines that are outside of the Windows Environment for Disaster Recovery	Customers	15,000	0	0	15,000	0	30,000	0	0	0	0	60,000
Audio Improvements to Mountford Hall	Enterprise	15,000	0	0	0	0	0	0	0	0	0	15,000
Avenue Park Splash Park	Environment	70,000	0	0	0	0	0	0	0	0	0	70,000
Baldock Road Recreation Ground Letchworth	Environment	0	0	30,000	0	0	0	0	0	0	0	30,000
Bancroft Lighting	Environment	0	0	45,000	0	0	0	0	0	0	0	45,000
Broadway Gardens Resurfacing	Environment	0	250,000	0	0	0	0	0	0	0	0	250,000
Burymead Road Transfer Facility	Environment	30,000	0	0	0	0	0	0	0	0	30,000	0
Cadcorp Local Knowledge & Notice Board Software	Customers	5,400	0	0	0	0	0	0	0	0	200	5,200
CCTV at DCO & Hitchin Town Hall	Customers	12,500	0	0	0	0	0	0	0	0	0	12,500
CCTV Control Room Upgrade	Resources	45,000	0	0	0	0	45,000	0	0	0	0	90,000
CCTV Replacement	Customers	0	0	0	0	0	0	0	0	0	0	0
Charnwood House	Enterprise	370,800	0	0	0	0	0	0	0	0	0	370,800
Community Centres Flat Roof Safety Barriers	Enterprise	43,000	0	0	0	0	0	0	0	0	0	43,000
Conference Calling Solutions in Large Meeting Rooms at District Council Offices	Customers	6,000	0	0	0	0	0	0	0	0	0	6,000
Council property improvements following condition survey	Enterprise	176,300	50,000	50,000	50,000	50,000	250,000	0	0	0	0	626,300
Cyber Attacks - Events Monitoring Software Solution	Customers	2,000	0	0	0	0	0	0	0	0	0	2,000
Cycle Strategy implementation (GAF)	Growth	278,000	0	0	0	0	0	0	278,000	0	0	0
DR Hardware Refresh Inc UPS Battery Pk (unit 3)	Customers	65,000	0	0	16,000	0	32,000	0	0	0	0	113,000
Email Encryption Software Solution	Customers	17,700	0	0	0	0	0	0	0	0	0	17,700
EV Charging at the existing Letchworth Depot	Environment	100,000	0	0	0	0	0	0	0	0	0	100,000
Fibre Waste Bins	Environment	1,170,000	0	0	0	0	0	0	0	0	0	1,170,000
Green Infrastructure implementation (GAF)	Growth	185,000	0	0	0	0	0	0	185,000	0	0	0
Hitchin Lairage car park - cosmetic coating to four stairwells and replacement windows and doors	Enterprise	69,100	0	0	0	0	0	0	0	0	0	69,100
Hitchin Swim Centre: Archers Member Change and Relaxation Area Refurbishment	Environment	300,000	0	0	0	0	0	0	0	0	0	300,000
Hitchin Swim Centre: Changing Village Refurbishment	Environment	0	225,000	0	0	0	0	0	0	0	0	225,000
Hitchin Town Hall Kitchen Enhancement	Enterprise	0	25,000	0	0	0	0	0	0	0	0	25,000
Howard Park Letchworth Path Resurfacing	Environment	13,800	10,000	10,000	0	0	0	0	0	0	0	33,800
Infrastructure Hardware	Customers	395,000	18,000	18,000	190,000	0	0	0	20,000	0	0	601,000
Installation of trial on-street charging (GAF)	Growth	0	50,000	0	0	0	0	0	50,000	0	0	0
King George V Muga Hitchin	Environment	0	0	55,000	0	0	0	0	0	55,000	0	0
Laptops - Refresh Programme	Customers	339,100	49,000	35,000	40,000	349,000	234,000	0	0	0	0	1,046,100
Match funding for Electric Vehicle charging	Growth	100,000	0	0	0	0	0	0	0	0	0	100,000
Mel Tax Offices, Royston	Enterprise	25,000	0	0	0	0	0	0	0	0	0	25,000
Members Laptops Refresh Programme	Customers	0	30,000	0	0	0	0	0	0	0	0	30,000

								Funding				
		2025/26 Funding £	2026/27 Funding £	2027/28 Funding £	2028/29 Funding £	2029/30 Funding £	2030/31 - 2034/35 Funding £					
Project	Service Directorate							Funded from Other Grants	Funded from Government Grant	Funded from s106 contributions	Funded from Revenue / IT Reserve	Balance funded from Capital Receipts/ Set- aside receipts/ Borrowing
Microsoft Enterprise Software Assurance	Customers	679,000	0	0	747,000	0	1,494,000	0	0	0	0	2,920,000
Museum Storage Facility	Enterprise	2,000,000	2,000,000	0	0	0	0	0	0	0	0	4,000,000
NH Museum & Community Facility	Enterprise	48,300	0	0	0	0	0	48,300	0	0	0	0
NH Museum Chiller	Enterprise	80,000	0	0	0	0	0	0	0	0	0	80,000
NHLC Lift Replacement	Environment	90,000	0	0	0	0	0	0	0	0	0	90,000
NHLC Pool Flume Replacement	Environment	300,000	0	0	0	0	0	0	0	0	0	300,000
Northern Transfer Station	Environment	0	0	0	3,000,000	3,000,000	0	0	0	0	0	6,000,000
Norton Common Bowls Pavilion	Environment	55,000	0	0	0	0	0	0	0	28,000	0	27,000
Norton Common Footpaths	Environment	10,000	0	0	0	0	0	0	0	0	0	10,000
Norton Common Letchworth Tennis Courts	Environment	48,700	0	0	0	0	0	0	0	0	0	48,700
Off Street Car Parks resurfacing and enhancement	Enterprise	36,000	43,000	77,000	0	0	0	0	0	0	0	156,000
Oughtonhead Common Hitchin Weir	Environment	323,400	0	0	0	0	0	0	0	0	0	323,400
Oughtonhead Common Signage and Interpretation	Environment	0	10,000	0	0	0	0	0	0	0	0	10,000
Parking Charging, Payments & Management	Growth	235,000	0	0	0	0	0	0	0	0	0	235,000
Parking Machines Replacement	Growth	151,100	0	0	0	0	0	0	0	0	0	151,100
Parking Machines Upgrade - Contactless Payment Facility Installation	Growth	38,000	0	0	0	0	0	0	24,200	0	0	13,800
PC's Refresh Programme	Customers	11,000	8,000	5,000	8,000	5,000	8,000	0	0	0	0	45,000
Playground and Renovation District Wide	Environment	343,400	180,000	180,000	180,000	180,000	900,000	0	0	0	0	1,963,400
Priory Gardens Bandstand	Environment	50,000	0	0	0	0	0	0	0	0	0	50,000
Priory Memorial Gardens MUGA Royston	Environment	55,000	0	0	0	0	0	0	0	0	0	55,000
Priory Memorial Gardens MUGA FencingRoyston	Environment	40,000	0	0	0	0	0	0	0	0	0	40,000
Private Sector Grants	Regulatory	227,000	60,000	60,000	60,000	60,000	300,000	0	0	0	0	767,000
Public Sector Decarbonisation Fund	Environment	9,829,200	0	0	0	0	0	0	1,578,000	0	0	8,251,200
Public Sector Decarbonisation Fund Phase 2	Environment	852,000	2,001,000	423,000	0	0	0	0	1,172,000	0	0	2,104,000
Ransoms Rec Footpaths, Gates and Railing	Environment	0	20,000	0	0	0	0	0	0	0	0	20,000
Refurbishment and improvement of community facilities	Governance	5,000	0	0	0	0	0	0	0	0	0	5,000
Refuse and Recycling Bins	Environment	90,000	90,000	90,000	90,000	90,000	450,000	0	0	0	0	900,000
Remote testing equipment - Emergency Lights and Water Temperature Monitoring	Enterprise	13,000	0	0	0	0	0	0	0	0	0	13,000
Renovate skate park at KGV Hitchin	Environment	228,700	0	0	0	0	0	0	0	0	0	228,700
Replacement of Newark Close, Royston	Enterprise	65,000	0	0	0	0	0	0	0	0	0	65,000
Replacement of the timber access bridge at Norton Common	Environment	1,600	0	0	0	0	0	0	0	0	0	1,600
Resurface Lairage Car Park	Enterprise	346,300	0	0	0	0	0	0	0	0	0	346,300
Riverside walkway, Biggin Lane	Environment	53,000	0	0	0	0	0	0	0	0	0	53,000
RLC change village refurbishment – replacement of cubicles, lockers, vanity area and group change.	Environment	150,000	0	0	0	0	0	0	0	0	0	150,000
RLC Café	Environment	20,000	0	0	0	0	0	0	0	0	0	20,000
Royston Leisure Centre Dry Side Toilet Refurbishment	Environment	30,000	0	0	0	0	0	0	0	0	0	30,000
RLC Gym Equipment	Environment	349,800	0	0	0	0	0	0	0	0	0	349,800
RLC Gym Refubishment	Environment	452,000	0	0	0	0	0	0	0	0	0	452,000
Royston Leisure Centre Members Changing Refurbishment	Environment	72,900	0	0	0	0	0	0	0	0	0	72,900

Project	Service Directorate							Funding				
		2025/26 Funding £	2026/27 Funding £	2027/28 Funding £	2028/29 Funding £	2029/30 Funding £	2030/31 - 2034/35 Funding £	Funded from Other Grants	Funded from Government Grant	Funded from s106 contributions	Funded from Revenue / IT Reserve	Balance funded from Capital Receipts/ Set- aside receipts/ Borrowing
S106 Projects	Various	140,000	0	0	0	0	0	0	0	140,000	0	0
S016 Funding for additional social housing	Growth	192,500	0	0	0	0	0	0	0	192,500	0	0
Security - Firewalls	Customers	23,600	18,000	0	18,000	0	54,000	0	0	0	0	113,600
Solar Together	Environment	0	0	0	0	0	0	0	0	0	0	0
Swinburne Recreation Ground Hitchin	Environment	0	30,000	0	0	0	0	0	0	0	0	30,000
Tablets - Android Devices	Customers	18,000	10,000	4,000	4,000	4,000	8,000	0	0	0	0	48,000
Thomas Bellamy House, Hitchin	Enterprise	6,000	0	0	0	0	0	0	0	0	0	6,000
Transport Plans implementation (GAF)	Growth	250,000	0	0	0	0	0	0	250,000	0	0	0
Walsworth Common Pavilion - contribution to scheme	Environment	0	300,000	0	0	0	0	250,000	0	37,000	0	13,000
Warm Homes	Environment	318,750	478,125	478,125	0	0	0	0	1,275,000	0	0	0
Waste and Street Cleansing Data Mgmt	Environment	470,000	0	0	0	0	0	0	0	0	0	470,000
Waste and Street Cleansing Vehicles	Environment	4,800,000	0	0	0	0	5,500,000	0	0	0	3,200,000	7,100,000
WiFi Upgrade	Customers	40,000	0	0	0	0	0	0	0	0	0	40,000
Wilbury Hills Cemetery Footpaths	Environment	0	30,000	0	0	0	0	0	0	0	0	30,000
		27,623,850	5,985,125	1,560,125	4,418,000	3,738,000	9,305,000	298,300	4,832,200	452,500	3,230,200	43,816,900

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<b>CABINET</b>
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<b>DATE: 23<sup>rd</sup> September 2025</b>
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<b>PART 1 - PUBLIC DOCUMENT</b>
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**TITLE OF REPORT: Grant of an option agreement for the sale of land to facilitate access to strategic housing site GA2.**

REPORT OF: Principal Estates Surveyor

EXECUTIVE MEMBER: Executive Member for Enterprise

COUNCIL PRIORITY: THRIVING COMMUNITIES / RESPONSIBLE GROWTH / SUSTAINABILITY

## **1. EXECUTIVE SUMMARY**

Site GA2 is a strategic housing site in the Local Plan. It lies to the north-east of Great Ashby in the parish of Weston and is allocated for a new neighbourhood of approximately 600 homes under Policy SP18. The Masterplan was approved at Cabinet and subsequently ratified by full Council in November 2024. It is proposed that a new access road to the development will be created from Mendip Way. To create the access road, the developer will need to acquire land owned by third parties, including the Council.

This report seeks Cabinet approval to the heads of terms for an option agreement to give the developer a right to acquire land owned by the Council to facilitate the access to GA2, in collaboration with the other four owners.

## **2. RECOMMENDATIONS**

It is recommended that Cabinet:

- 2.1. Approves the Council entering into an option agreement for the sale of the Council owned parcel of land edged red on the plan at Appendix B in accordance with the Heads of Terms attached to the Part 2 report.
- 2.2. Delegates authority to the Director for Governance in conjunction with the Director for Resources to complete, sign and seal all documents to give effect to the recommendations.

## **3. REASONS FOR RECOMMENDATIONS**

- 3.1 The recommendation is made to ensure that access is available to facilitate the development of GA2, a Strategic Housing site allocated in the Local Plan, which will assist in the delivery of circa 600 new homes and associated facilities including affordable homes. Completion of the sale is also expected to generate a capital receipt.

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

- 4.1. For the Council, in its capacity as landowner, not to sell the land: This would prevent delivery of the access and development of the site, and a potential capital receipt. This course of action is not recommended.

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

- 5.1 The Executive Members for Enterprise and Resources have been consulted.
- 5.2 Opposition lead members have been briefed about these proposed terms and Members are more widely aware of the proposed development.

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

- 6.1 This report contains a recommendation on a key executive decision that was first notified to the public in the Forward Plan on the 13<sup>th</sup> September 2024.

#### **7. BACKGROUND**

- 7.1. The development of site GA2 is part of the Council's Local Plan.
- 7.2. In order to deliver on this development, a new access road from Mendip Way to the site is necessitated.
- 7.3. The proposed route of the new access road will require the developer to acquire five parcels of land owned by third parties; one of those landowners is the Council. There is no viable alternative route for the access road.
- 7.4. Picture Estates Ltd and associated companies and personal interests own the land shown edged red on the plan at Appendix A and are promoting the development of the land in accordance with the local plan allocation. Picture Estates is an unconnected party to the Council. The land Picture Estates requires for the access road is shown coloured blue on that plan; different parcels of the access are owned by North Herts Council, Croudace, Vistry, the Trustees of the Weston Settlement and Homes England/Stevenage Borough Council. The plan at Appendix B shows the Council's ownership edged red.

#### **8. RELEVANT CONSIDERATIONS**

##### **The Site**

- 8.1. Under Policy SP18 of the Local Plan site GA2 was allocated for a development of approximately 600 homes. Policy SP18 and plan showing the site are attached as Appendices C & D.
- 8.2. The access land owned by the Council is currently designated as public open space, and features a children's playground. To compensate for the loss of the public open space including playground, the planning application is to be in accordance with the approved masterplan which requires the relocation of the play equipment at the developer's cost and the provision of additional public open space within the GA2 development.

- 8.3. As a Strategic Housing site, GA2 is an important part of the Local Plan for delivery of new dwellings.
- 8.4. Following full Council approval of the Strategic Masterplan Framework for the site in November 2024, the Framework is now a material consideration for relevant planning decisions. The illustrative Masterplan and Landscape Strategy from the Framework forms Appendix E. This reflects the intention for a comprehensive scheme including a neighbourhood retail centre, medical & social infrastructure, a school, a care home, serviced plots for self-build and an integrated transport network.

### **Option Agreement**

- 8.5. The proposed option agreement is to give Picture Estates, or their successors, the right to acquire the land owned by the Council to facilitate access to GA2, in collaboration with the other four owners. One of the conditions for exercising the option is that planning permission must have been granted for the development. The planning application will be in outline for the development of the site but in detail regarding the new access road. It will identify sites for the relocation of the playground currently on the Council's land and for the creation of new areas of public open space.
- 8.6. As it is public open space, section 123 of the Local Government Act 1972 requires the Council to publish notification of its intention to dispose of the land in two consecutive weeks and to consider any objections that are made before taking a decision to proceed. This process should not be initiated until the planning application for the development is sufficiently advanced to identify plans for the re-provision of the existing play area and public open space so as to avoid the risk of legal challenge. Any obligation to dispose of the land will be subject to the due consideration of the objections received as part of the statutory process.
- 8.7. Once planning permission has been granted, Picture Estates intends to sell the site with the benefit of that permission.
- 8.8. Without all five parcels of land which will form part of the access road, the development will not be able to take place. Consequently, there is a joint set of heads of terms between all the landowners and Picture Estates.
- 8.9. The heads of terms propose that all five landowners will grant the developer an option to acquire the land in their ownership in return for an agreed share of the net proceeds of sale achieved by Picture Estates. The share of net proceeds is calculated as a percentage of the development land value, less legal and professional fees. Each landowner will then receive one fifth of this sum, irrespective of the individual land parcel's location or size. This reflects the principle of equalisation as all five parcels of land are required.

- 8.10 To ensure that the Council complies with its statutory obligation to obtain best value for the disposal of the site, it is expected that at both the point of the section 123 consultation and after Picture Estates has received offers for the site an external valuer will provide a report confirming that the payment due to the Council represents the best value that could be achieved. It is worth highlighting that the mechanism for calculation of the amount paid to the Council has been the subject of negotiation, both between the Council, our legal representatives, and the developer in close cooperation with both the agent and external surveyor acting jointly on behalf of Stevenage Borough Council & Homes England.
- 8.11 All five landowners will sign a collaboration agreement governing co-operation, joint obligations, decision making, dispute resolution and cost/receipt.
- 8.12 The site will not be marketed by the Picture Estates before the expiry of the period in which legal challenge could be raised to either the planning permission, disposal of public open space or release of the access road from any restrictive covenants. Further, there will need to be a period for marketing of the site. It could therefore be several years before the Council receives a capital receipt.

## **9. LEGAL IMPLICATIONS**

- 9.1. Cabinet, in exercising its functions, has powers to dispose of land or buildings where the consideration is between £250,000 and £2,500,000.
- 9.2. The option arrangement will enable the party that is successful in acquiring Picture Estates' interest to acquire the land needed for the access to the site.
- 9.3. Section 123 of the Local Government Act 1972 allows a Council to dispose of land in any manner it wishes provided that the consideration is the best that can be reasonably obtained unless the Secretary of State consents to the disposal.
- 9.4. Sections 123(2A) and 127(3) of the Local Government Act 1972 require a local authority wishing to dispose of open space to advertise its intentions in a local newspaper for 2 consecutive weeks and to consider objections. Authorities should conduct these procedures before making any final decisions. Further details are below.
- 9.5. There are a number of procedures which need to be followed for the disposal of the site to mitigate any risk of challenge, and these will be adhered to once the planning application has been considered. The Council will continue to be advised throughout this process to ensure that regulatory and statutory framework is fully adhered to.
- 9.6 The report identifies that there are covenants and restrictions relating to the use of certain parcels of the access land, including the Council's land, which will need to be resolved to enable the access land to be delivered free of any encumbrances.
- 9.7 In relation to the sites owned by third parties, there is a need for the Council to enter into Deeds of Variation to release obligations imposed under existing section 106 Agreements requiring the land to be used for public open space. This should be tied to the new GA2 planning application which will reflect mitigation measures as part of the new section 106 Agreement.

- 9.8 The Council will be giving consideration to the non-statutory Critchell Down Rules which requires former owners or their successors the right of first refusal to buy back land if it was originally acquired using compulsory purchase powers or the threat of and is now surplus to requirements. Although there are no known cases affecting land transferred by way of a section 106 Agreement the Council considers it best practice to give full consideration to these rules.
- 9.9 The Council will need to advertise the intention to dispose of the Council land under section 123 of the Local Government Act 1972 and consider responses before disposing of the land. This consultative process must give effect to the established 'Gunning Principles' which provide that a consultation is only legitimate when these four principles are met:
1. Proposals are still at a formative stage and a final decision has not yet been made, or predetermined, by the decision makers
  2. There is sufficient information to give 'intelligent consideration'
  3. The information provided must relate to the consultation and must be available, accessible, and easily interpretable for consultees to provide an informed response
  4. There is adequate time for consideration and response. There must be sufficient opportunity for consultees to participate in the consultation.

Failure to observe the Gunning Principles could render any decision to dispose liable to judicial review. Any failure to meet this requirement will result in an action in judicial review. This consultative process will commence prior to the planning application being determined but after it is clear where the new playground will be located. The Council will also need to show where a replacement of the existing Public Open Space is to be located on the new development.

- 9.10 Section 203 of the Housing and Planning Act 2016 gives the Council the power to appropriate the Council land for planning purposes as this will override restrictive covenants from existing section 106 Agreements that may exist and ensure that the land is free of all encumbrances, subject to Picture Estates indemnifying the Council against all risks and costs which may arise from any injunctions. There is a statutory process which must be followed including consultation and formal appropriation which can only take place after the site has been granted planning permission.

## **10. FINANCIAL IMPLICATIONS**

- 10.1. The Council's legal & professional fees are being paid for by Picture Estates in the first instance and the total amount will be deducted from the net proceeds of sale before an agreed percentage is distributed to the five landowners. This avoids the Council paying fees up front and being at risk of abortive costs in the unlikely event that a sale of the site does not complete.

- 10.2. In due course, the proposed sale will generate a capital receipt for the Council to assist in funding the overall capital programme. The use of capital receipts reduces the need for borrowing, which in turn reduces revenue costs from interest payments and Minimum Revenue Provision charges. This site will also contribute to providing additional housing in the district. Ultimately this will increase Council Tax income, although that will need to be balanced against the cost of increased service demand, including the direct costs of waste collection.

## **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. Although the option agreement is due to be signed by all five landowners these are subject to contract and formal approval. There is, therefore, a possibility that the option agreement and collaboration agreement will not be concluded. In this instance it may be necessary to consider using compulsory purchase powers, but this appears to be unlikely as matters currently stand given that each party is due to receive a substantial sum from the sale of their land, which has a low existing use value. Picture Estates still needs to obtain planning permission. Site GA2 is, however, an allocated site in the Local Plan and a Strategic Masterplan Framework has been approved and adopted.
- 11.3. As previously mentioned, the Council's land is public open space, and the Council will need to consider any objections received via the section 123 process mentioned above. As part of this process, and at the appropriate time, the Council will publicise the location of the new playground and replacement public open space on the new development, which will help manage the reputational risk associated with the loss of the existing amenities. This could be further enhanced by highlighting the additional benefits that the related capital receipt could help deliver.

## **12. EQUALITIES IMPLICATIONS**

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2. There are no equalities implications.

## **13. SOCIAL VALUE IMPLICATIONS**

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

## **14. ENVIRONMENTAL IMPLICATIONS**

- 14.1. There are no known Environmental impacts or requirements that apply to this report but the Environmental Impact of developing site GA2 will be considered as part of the planning application process for the site giving consideration to Biodiversity Gain planning strategy for improvements to the natural environment.

## **15. HUMAN RESOURCE IMPLICATIONS**

- 15.1 As previously mentioned the Council has appointed external solicitors at the initial cost of Picture Estates. It is intended that this matter will be dealt with by the Estates team in conjunction with external solicitors and valuers. Should it be necessary for the Council to use other external consultants either because of a lack of resources within the Council or for reasons of expediency the initial cost of this will be covered by Picture Estates.

## **16. APPENDICES**

- 16.1 Appendix A: Plan showing the land owned or controlled by Picture Estates edged red and the access land coloured blue
- 16.2 Appendix B: Extent of land within Council ownership
- 16.3 Appendix C: Copy of Policy SP18 from North Herts Local Plan 2011-2031
- 16.4 Appendix D: Plan showing allocated site GA2 – Great Ashby
- 16.5 Appendix E: GA2 illustrative Masterplan and Landscape Strategy from the Strategic Masterplan Framework

## **17. CONTACT OFFICERS**

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**18. BACKGROUND PAPERS**

Masterplan - [Agenda for Cabinet on Tuesday, 19th November, 2024, 7.30 pm | North Herts Council](#)

**APPENDIX A:**

**GA2 - LAND OWNED OR CONTROLLED BY PICTURE ESTATES EDGED RED & ACCESS LAND COLOURED BLUE**



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## **APPENDIX B:**

### **EXTENT OF ACCESS LAND OWNED BY NHDC**



NB Semi-circle of land at junction of Mendip Way and Cromdale Walk owned by the Council not required for access purposes, but may be needed for connection of infrastructure.

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**Policy SP18: Site GA2 – Land off Mendip Way, Great Ashby**

Land to the north-east of Great Ashby within Weston parish, as shown on the Policies Map, is allocated as a Strategic Housing Site for a new neighbourhood of approximately 600 homes.

A comprehensive and deliverable Strategic Masterplan for the entire allocation is to be prepared and agreed between the landowner/developer and the Council.

Where applications have already been submitted to the Council a Strategic Masterplan should be agreed prior to the or as part of the grant of planning permission.

Any application on part of the site will be assessed against its contribution to the Strategic Masterplan and must not prejudice the implementation of the site as a whole.

Development proposals should provide the following planning and masterplanning requirements:

- a) Neighbourhood-level facilities providing approximately 500m<sup>2</sup> (net) of retail and food and beverage floorspace and other necessary medical and social infrastructure;
- b) Four hectares of land at the north of the allocation site, broadly bounded by Footpaths Weston 044 and Weston 027 and Dell Spring reserved for education use to accommodate 2FE of primary-age provision and 4FE of secondary age provision;
- c) Principal access from Mendip Way with:
  - i. provision for sustainable modes of transport having regard to the Stevenage Mobility Strategy; and
  - ii. comprehensive integration into the existing pedestrian and cycle, public transport and road networks;
- d) Transport Assessment to identify and secure measures to manage traffic flows arising from the development along Back Lane;
- e) A detailed drainage strategy identifying water infrastructure required and mechanism(s) for delivery;
- f) At least 6 serviced plots for self-build development;
- g) Structural planting along site boundaries as informed by detailed landscape assessments to reinforce the revised Green Belt boundary and mitigate landscape impacts;
- h) Address existing surface water flood risk issues, particularly running south-east from Dell Spring to Newberry Grove, through SUDs or other appropriate solution;
- i) Appropriate mitigation, compensation and / or enhancement of key features of biodiversity including:

- i. local wildlife sites at Tilekiln Wood, Parsonsgreen Wood, New Spring Wood, Brooches Wood and Claypithills Spring Wood;
- ii. identified protected species and priority habitats; and
- iii. retention of green infrastructure connectivity and corridors to the wider countryside;
- j) Integration of existing public rights of way within and adjoining the site to provide routes to the wider countryside including
  - i. Footpaths Weston 027 and Weston 044 and Bridleway Weston 033 as features which help define the perimeters of the site; and
  - ii. Footpath Weston 029 as a potential green corridor through the site;
- k) Provision of a green infrastructure corridor beneath the current alignment of the pylon lines to respect statutory safety clearance requirements for residential development; and
- l) Lower intensity development and / or green infrastructure provision to the north of the site to minimise harm to the setting of listed buildings.

4.237 Great Ashby is a relatively new parish, representing the residential area adjoining Stevenage that has been substantially completed since the turn of the century. For the purposes of our settlement hierarchy it is considered to be a town.

4.238 Land to the north-east of the existing settlement limits is identified for the development of approximately 600 homes within the parish of Weston.

4.239 Although this site will not generate a requirement for a local centre which forms part of the formal retail hierarchy, it will be necessary to provide neighbourhood-level shops and facilities to ensure that the new development is sustainable. Our evidence identifies that the three housing allocations to the north of Stevenage within the District will generate a requirement for two additional GPs. The most appropriate location and format for this provision will be determined in consultation with health service providers also having regard to existing and proposed patterns of provision within Stevenage.

4.240 Great Ashby's existing primary school is significantly oversubscribed. As a consequence, it draws its intake from a very tight catchment area. There is also no local secondary school and Hertfordshire County Council has identified future pressures on secondary-age provision in the Stevenage area as a key concern.

4.241 Development of this site provides the opportunity to address these issues. Reserving sufficient land within this site to deliver 2FE of primary-age and 4FE of secondary-age provision will meet the requirements arising from the

site itself and also help alleviate pressures arising from existing and planned development in Great Ashby. Together these will help to create a more sustainable residential neighbourhood at the north-east of Stevenage enabling more short-distance journeys to school.

- 4.242 It is currently anticipated that the secondary element of a new school will not be required before the late 2020s at the earliest. To ensure an appropriately sized site, additional school playing fields would be required on land beyond the allocation boundary to the south-west of Footpath Weston 027 and Warrensgreen Wood towards Warrens Green Lane. This land is retained within the Green Belt to ensure appropriate control over any built structures.
- 4.243 The Stevenage Mobility Strategy aims to significantly increase the proportion of journeys undertaken on foot, by bike and by public transport over the plan period. Sites on the edge of Stevenage will need to make appropriate provision for sustainable modes of transport, and appropriate contributions to relevant sustainable travel schemes across the town, to ensure that they meet these aims.
- 4.244 There are local concerns that Back Lane, a narrow minor road which leads to Church Lane in Graveley, could be used by increased numbers of vehicles leaving the site, and that junctions in Graveley itself will suffer from congestion as a result of increased flows. This issue should be specifically addressed in the Transport Assessment for the site as part of the consideration of likely development impacts upon the wider highway network.
- 4.245 These measures, along with wider transport and mobility proposals arising from development of the site, will be developed in consultation with Hertfordshire County Council and Stevenage Borough Council.
- 4.246 Much of the revised Green Belt boundary has been drawn along the routes of public rights of way. Although clearly defined features, parts of their alignments cut across more open land. Structural planting will reinforce the new boundary as well as providing visual containment of the development.
- 4.247 Distinct areas of woodland lie between the site and the existing development at Great Ashby. These should be sensitively incorporated into the development having regard to their status as local wildlife sites. These woods, and the connections from them to the wider countryside, will be integral to the green infrastructure of the site. This will also include incorporation of key rights of way.
- 4.248 A green infrastructure corridor currently runs through Great Ashby following the alignment of the overhead power lines. This should additionally be carried through the new development to provide a continuous link through the neighbourhood to the wider countryside. The width of the corridor will be informed by the health and safety clearance requirements imposed by National Grid (or any other relevant body).

- 4.249 The site adjoins a number of Grade II listed buildings at Tile Kiln Farm and care should be taken in the detailed design of any scheme to ensure this area retains an appropriate setting.

**Policy SP19: Sites EL1, EL2 & EL3 – East of Luton**

Land to the east of Luton, as shown on the Policies Map, is allocated as a Strategic Housing Site for a new neighbourhood of approximately 2,100 homes.

A comprehensive and deliverable Strategic Masterplan for the entire allocation is to be prepared and agreed between the landowner/developer and the Council.

Where applications have already been submitted to the Council a Strategic Masterplan should be agreed prior to the or as part of the grant of planning permission.

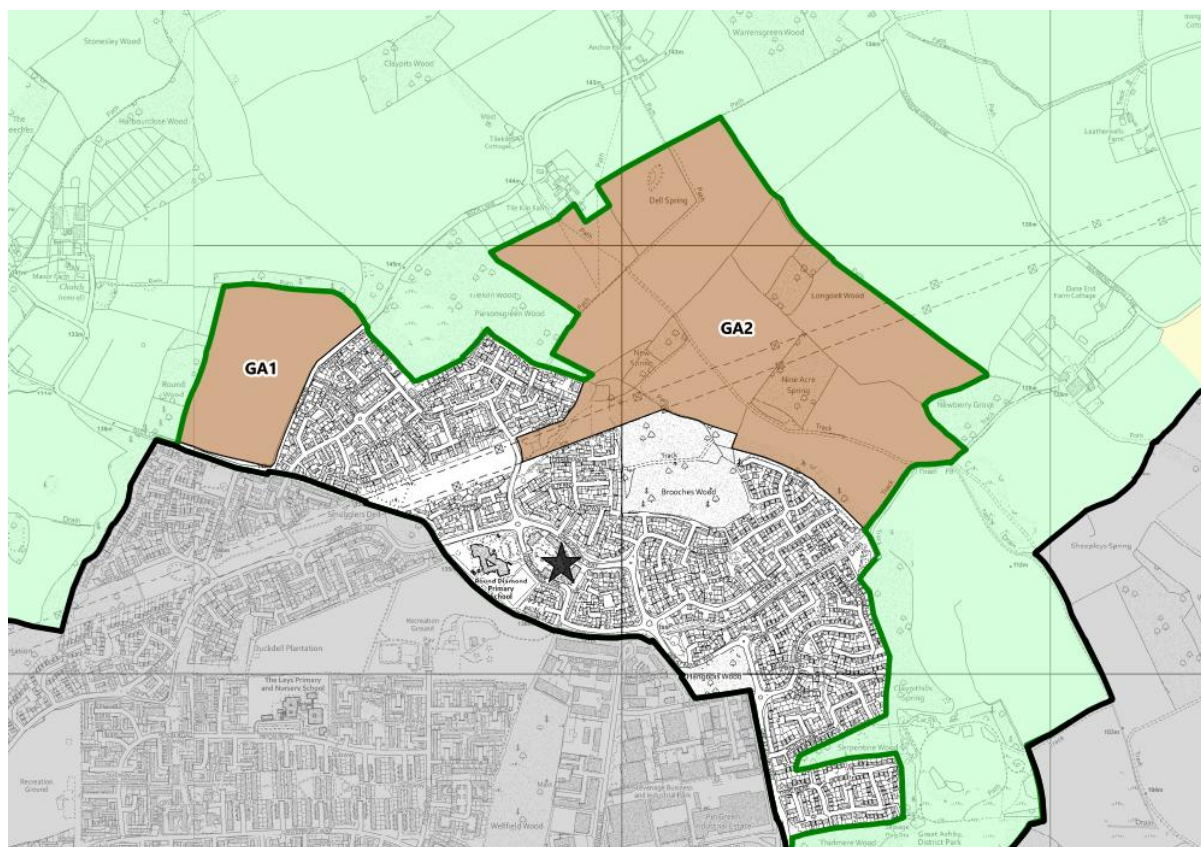
Any application on part of the site will be assessed against its contribution to the Strategic Masterplan and must not prejudice the implementation of the site as a whole.

Development proposals should provide the following planning and masterplanning requirements

- a) A new mixed-use local centre/s to provide for a range of day-to-day local needs including additional neighbourhood-level provision of around 250m<sup>2</sup> (net) convenience retail provision and 850 m<sup>2</sup> of comparison retail and food and beverage floorspace and other necessary social infrastructure;
- b) Structural planting to create a sense of place, integration into the surrounding landscape and to reinforce a long-term, defensible Green Belt boundary to the east and mitigate landscape impacts;
- c) Principal access to be taken from Luton Road and integrated into Luton's existing highway network via Crawley Green Road with:
  - i. provision for sustainable modes of transport;
  - ii. comprehensive integration into the existing pedestrian and cycle, public transport and road networks; and
  - iii. appropriate transport mitigation measures secured to address impacts on Luton;
- d) 4FE of primary-age and 4FE of secondary-age education provision to ensure the needs arising from this allocation can be met within the site with any secondary education solution designed so as not to preclude the potential for future expansion;
- e) Appropriate mechanism(s) to ensure that all the affordable housing derived from the 1,950 homes for Luton's unmet needs address affordable housing needs from Luton Borough;
- f) Built development contained within the Breachwood Ridge and avoiding adverse impacts on the wider landscape of the Lilley Valley

## APPENDIX D:

## **PLAN SHOWING SITE ALLOCATION GA2 – GREAT ASHBY**



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Appendix E – GA2 Illustrative Masterplan and Landscape Strategy from the Strategic Masterplan Framework



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