

NORTH HERTFORDSHIRE DISTRICT COUNCIL

CABINET

MEETING HELD IN THE FOUNDATION HOUSE, ICKNIELD WAY, LETCHWORTH
GARDEN CITY ON TUESDAY, 19TH DECEMBER, 2017 AT 7.30 PM

MINUTES

Present: *Councillors Councillor Lynda Needham (Chairman), Councillor Julian Cunningham (Vice-Chairman), Jane Gray, Tony Hunter, David Levett, Bernard Lovewell, Ray Shakespeare-Smith and Michael Weeks.*

In Attendance:

David Scholes (Chief Executive), Anthony Roche (Deputy Chief Executive), Ian Couper (Head of Finance, Performance and Asset Management), Ian Fullstone (Head of Development and Building Control), Howard Crompton (Head of Revenues, Benefits and IT), Vaughan Watson (Head of Leisure and Environmental Services), Chloe Hipwood (Service Manager - Waste and Recycling), Jeanette Thompson (Acting Corporate Legal Manager) and Ian Gourlay (Committee and Member Services Manager).

Also Present:

*Councillors Terry Hone (Chairman of Finance, Audit & Risk Committee), Fiona Hill and Alan Millard.
4 members of the public.*

63 APOLOGIES FOR ABSENCE

There were no apologies for absence.

64 MINUTES - 16 OCTOBER 2017

RESOLVED: That the Minutes of the meeting of Cabinet held on 16 October 2017 be approved as a true record of the proceedings and signed by the Chairman.

65 MINUTES - 21 NOVEMBER 2017

RESOLVED: That the Minutes of the meeting of Cabinet held on 21 November 2017 be approved as a true record of the proceedings and signed by the Chairman.

66 NOTIFICATION OF OTHER BUSINESS

The Chairman gave notice that she had accepted an urgent item of Part 1 business in respect of North Hertfordshire Museum and Hitchin Town Hall: Acquisition of 14/15 Brand Street. The Proper Officer was satisfied that, in accordance with Section 15 (Paragraphs 15.5.1 and 15.5.2) of the Council's Constitution, the report was genuinely urgent and could not be delayed until a later meeting because of the need to secure ownership of the properties and safeguard the Council's substantial interest. The report had been tabled as Item 12.

67 CHAIRMAN'S ANNOUNCEMENTS

- (1) The Chairman announced that Members of the public and the press may use their devices to film/photograph, or do a sound recording of the meeting, but she asked them to not use flash and to disable any beeps or other sound notifications that emitted from their devices. In addition, the Chairman had arranged for the sound at this particular meeting to be recorded;

- (2) The Chairman 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; and
- (3) The Chairman asked that, for the benefit of any members of the public present at the meeting, Officers announce their name and their designation to the meeting when invited to speak.

68 PUBLIC PARTICIPATION

The meeting was addressed by Mr Charles Bunker (on behalf of Stephen Pike – Hitchin Town Hall Limited) and Mr David Leal-Bennett (Hitchin Town Hall Finance Limited) in respect of the North Hertfordshire Museum and Hitchin Town Hall – 14/15 Brand Street.

(a) Mr Charles Bunker (on behalf of Mr Stephen Pike)

Mr Bunker advised that unfortunately Mr Pike had been detained on another important matter. He had asked Mr Bunker to convey his apologies for absence and to read out the following statement on his behalf:

“Dear Cabinet Members

As Chairman of Hitchin Town Hall Ltd, a registered charity, I represent my members and the community groups of Hitchin.

You are all aware that I am legally bound to comply with our charitable objects and charity law and to consider the assets and liabilities of Hitchin Town Hall Ltd, including the Development Agreement, property, debtors and creditors.

I believe that we all accept that there must be ‘robust’ protection of the Town Hall.

You will recall that when I presented to you in August I stated:

“Mr Scholes turned down the detailed documentation stating that this was a direct result of his discussions with the “Executive Members” where the “implications” had been discussed. There was absolutely no attempt at any compromise, just a statement saying that NHDC “best considerations” would not be met!”

Fortunately we have moved on from this point.

Our lawyer, who deals with numerous Local Authorities, wrote to NHDC lawyers to explain that the original proposal was indeed permissible and acceptable. Nevertheless, we have now agreed a 5 year rolling notice period should NHDC ever decide to sell the buildings. This would give sufficient time for Community Groups to raise funds to purchase the buildings should they wish.

To take this forward a meeting was set up in my offices on Friday 15th December.

Prior to that David Leal-Bennett had numerous discussions with our lawyers to see how far we could move towards dealing with the concerns of NHDC; we were convinced that we had achieved that. We even had a last minute chat with them just to clear up a potential sticking point and we had agreed a way that would work for NHDC.

We were therefore astounded that Mr Scholes and his assistant did not even sit down but stood in the meeting room for some 10 minutes stating that they could not proceed unless David Leal-Bennett withdrew and John Ray attended. We explained how close we were to a deal and that this stance appeared to be personal.

Tuesday, 19th December, 2017

I clarified Mr Leal- Bennett's role in detail since he has been endeavouring to find a solution and has been the lead on the legal documentation. I further explained that John and I had other skills but were not well versed in the minutiae and impact of certain wording.

Mr Scholes then stated that he had been given the remit by Full Council /Cabinet to only negotiate with John and me. I stated that, as far as I was concerned, this was just not the case.

Mr Leal-Bennett has always been in the background and John's main role was to negotiate the price of £550,000 plus some broad legal parameters. It was pointed out that all three of us met with Norma Atlay some months ago, again because of the complexity of the Development Agreement to which Mr Leal- Bennett was closest. Hitchin Town Hall Ltd is a Registered Charity and has to ensure that it fields the best and most knowledgeable professionals.

The Chief Executive then walked out, refusing to call his political masters.

For the Chief Executive of NHDC to behave in such a manner, no matter on whose orders or remit, is totally unprofessional. He has caused embarrassment, wasted our time and I believe exceeded his authority. This behaviour is not conducive to making progress and only delays matters further.

I understand Mr Scholes was tasked with getting the deal done once the price had been agreed, not dictate who should sit on the other side of the negotiating table.

For Mr Scholes to say it is not personal is a fallacy, since it clearly is just that. I suspect he was not prepared to report back the attendees to the relevant 'Executive Members'.

I expect an apology, or at the very least a statement from him, saying he was misinformed.

If NHDC are serious in concluding negotiations I suggest that this approach be changed immediately and we get on with finalising the documentation, adopting a professional approach.

When I last presented I made the following, still pertinent, points:

- This is not just a sale of 14/15 Brand Street, it is meant to:
 1. Draw a line under the Development Agreement.
 2. Ensure that there will not be any legal claim against NHDC.
 3. Pass the title of 14/15 Brand Street to The Workmen's Hall Trust.
 4. Ensure the Town Hall is always a Community Asset and cannot be sold off for development.

This valuable Community Facility for North Herts has had a considerable amount of taxpayers' money spent on it and must remain as an asset for the community.

I would urge you all, not to leave this to just a few members who seem to have a different agenda, but to make it happen for the good of everyone in North Herts.

Thank you."

(b) Mr David Leal-Bennett

Mr Leal-Bennett advised that in the summer he reported that "There has been a lot of misinformation circulating", unfortunately this still seems to be the case with a blame culture rather than a proactive "lets work together" approach.

Tuesday, 19th December, 2017

Mr Leal-Bennett was extremely concerned that officers appeared to continue to report their version of events rather than facts.

By way of example, just before Mr Leal-Bennett went away on holiday Stephen Pike sent a detailed email to NHDC with an attached document. Unfortunately, the attachment was omitted, but rather than simply respond, as any reasonable person would do, saying it was missing, please send again, officers did nothing.

The next thing Mr Leal-Bennett heard was that Cllr Shakespeare-Smith, at a Hitchin councillors' surgery, was very vocal on the negotiations, blaming HTH Ltd for delays; Mr Leal-Bennett was really surprised that he went into such detail. Blame culture rather than the facts.

Mr Leal-Bennett stated that last week a conference call with the Chief Executive was arranged for between 5:00pm and 5:15pm, but when he and Mr Pike phoned there was no reply; they tried for half an hour. The following day they received an apology, but how about a text or quick phone call.

Having undertaken a considerable amount of work with lawyers, Mr Leal-Bennett advised that a meeting was set up last Friday (15/12) with the Chief Executive; he walked out because he wanted to negotiate with people other than those present.

Mr Leal-Bennett considered that this was not professional and is no way to conduct negotiations.

In his considerable business career Mr Leal-Bennett had never entered into discussions or negotiations (corporate, commercial, private or otherwise) where that person or organisation dictated the participants attending from the other side. He felt this to be arrogant in the extreme. Who on earth did the Chief Executive think he is?

In adopting this stance Mr Leal-Bennett felt that the Chief Executive had insulted him in front of a business partner and questioned his integrity; he considered this to be a personal vendetta of which he and Mr Pike had had enough.

If the Chief Executive had taken this action of his own volition then Mr Leal-Bennett called for an apology. If he was directed to behave in this way by poorly qualified elected Members who did not wish these discussions to succeed, then he called for those elected Members to seriously consider their position. Either way there could be no continuation of this approach. If NHDC did not want to settle this then tell them now and they would make other arrangements.

Mr Leal-Bennett repeated that HTH Finance Ltd was not making any money; in negotiations with NHDC they had agreed to take a "haircut" to secure a deal. This was because the business backers wished the Town Hall to always be available for the community of North Hertfordshire.

Mr Leal-Bennett commented that, let there be no doubt, if it were not for HTH Finance Ltd the site would have been developed. NHDC were informed they were "a significant under bidder".

Mr Leal-Bennett stated that HTH Ltd and HTH Finance Ltd wished to enable the Museum to be open and the Town Hall secured for future community use.

Mr Leal-Bennett was of the view that the Cabinet, as representatives of the 'Community of North Herts', needed to have a professional discussion, without bigotry or personal animosity impacting.

Tuesday, 19th December, 2017

Mr Leal-Bennett asked the Cabinet to instruct its officers to “make it happen”. Their experienced Local Authority lawyer had said that the Cabinet was able to do this deal. This was now the Cabinet’s decision. The directors of HTH Finance Ltd were ready to sign.

The Chairman stated that when she was asked if she would agree to speakers wishing to address the Cabinet she usually asked Committee Services officers to ask the speakers for details as to what they would be talking about. What she had been advised that Mr Leal-Bennett would be speaking about was not what he had just presented. She would therefore be ensuring that speakers attending future meetings would adhere to the subject matter about which they had pre-advised that they would be speaking.

The Executive Member for Leisure advised that she had taken exception to the comment made by Mr Leal-Bennett in his presentation about “poorly qualified elected Members”, and had found this comment to be offensive. She asked Mr Leal-Bennett to withdraw the comment.

Mr Leal-Bennett agreed to withdraw the comment.

69 ITEM REFERRED FROM FINANCE, AUDIT & RISK COMMITTEE: 18 DECEMBER 2017 - RISK MANAGEMENT UPDATE

The Chairman of the Finance, Audit and Risk Committee presented the following referral from that Committee, made at its meeting held on 18 December 2017, in respect of Risk Management Update (Minute 55 refers):

“RECOMMENDED TO CABINET: That the changes to the Risk and Opportunities Management Strategy (Appendices B to the report) and Policy (Appendix D to the report) be approved.”

The Executive Member for Finance and IT commented that he had no difficulty in supporting the recommendation of the Finance, Audit and Risk Committee.

RESOLVED: That the changes to the Risk and Opportunities Management Strategy (Appendix B to the report) and Policy (Appendix D to the report) be approved.

REASON FOR DECISION: To monitor the effective development and operation of risk management.

70 ITEM REFERRED FROM FINANCE, AUDIT & RISK COMMITTEE: 18 DECEMBER 2018 - DRAFT BUDGET 2018/19

RESOLVED: That consideration of this referral takes place in conjunction with agenda item number 9 (see Minute 72 below).

71 STRATEGIC PLANNING MATTERS

The Executive Member for Planning and Enterprise presented the report of the Head of Development and Building Control informing Members of the current position regarding the Duty to Co-operate with neighbouring authorities; Other Local Plans and Examinations; North Hertfordshire Local Plan; Neighbourhood Plans; Government announcements; and HCC Local Transport Plan (LTP4).

The Executive Member for Planning and Enterprise updated the Cabinet as follows:

- Central Bedfordshire Local Plan – a duty to co-operate meeting had been held earlier in the day. Central Bedfordshire Council would be going out for consultation on its Submission Local Plan on 3 January 2018 for 6 weeks. Following responses to that

Tuesday, 19th December, 2017

consultation, the Council was planning to approve the Submission Local Plan on 29 March 2018;

- East Hertfordshire Local Plan – results of the Part 2 Local Plan Examination were awaited;
- Welwyn Hatfield Local Plan – further hearings would take place in January, February and March 2018;
- Stevenage Local Plan – the Inspector's report had been prepared ready for adoption by the Council, but the Local MP had asked the Secretary of State to intervene, and he had issued a holding direction, pending a review of the Plan;
- St. Albans Local Plan – an Issues and Options consultation was to be carried out in January/February 2018. The likely housing target would be 913 new homes per annum, which equated to 14,608 homes over the proposed Plan period of 2020-2036.

In respect of the North Hertfordshire Local Plan, the Executive Member for Planning and Enterprise advised that this had been and continued to be a very trying process. The timetable had been revised to accommodate some additional sessions, and to move all of the site specific issues to February/March 2018. Some of the previous sessions had not been completed in time, and so two extra weeks of hearings had been scheduled (one in January 2018, so that the key issues could be dealt with before any site specific matters were discussed).

The Executive Member for Planning and Enterprise explained that the Council had a number of proposed major modifications that needed further work. As there were to be major modifications, at the conclusion of the Examination process and receipt of the Inspector's report, these modifications would need to go out to full public consultation over a 6 week period. It was therefore unlikely that NHDC would be reaching Local Plan adoption stage in 2018, more likely in early 2019.

The Executive Member for Planning and Enterprise reported that the draft London Plan was open for consultation until 5 March 2018. The ten year housing target was 649,350 new homes (64,935 per year). Much of that new housing would be expected to be accommodated outside of London.

The Executive Member for Planning and Enterprise advised that there was an £11Million Planning Delivery Fund to be bid for in joint working, design quality and innovation. NHDC would be looking to submit a bid in association with partner authorities via the Hertfordshire Infrastructure and Planning Partnership (HIPP), the closing date for bids being 11 January 2018.

The Executive Member for Planning and Enterprise referred to the London Luton Airport Visioning document that had been released during the week commencing 11 December 2017. This was the Airport's vision for sustainable growth up to 2050. In 2014 planning permission was granted to enable the Airport to increase its capacity to 18 million passengers per annum. It had been originally forecast that this capacity would be achieved by 2026/27, but due to passenger increases over the past few years, the Airport was now expected to reach that capacity within the next 3 years. The capacity of the existing runway was 36-38 million passengers per annum, which the Airport had estimated could be reached by the late 2030s/early 2040s.

The Executive Member for Planning and Enterprise drew attention to the New Towns Act: Local Authority Oversight Regulations consultation paper, which was to be published on 2 January 2018. It sought views on how local authorities would oversee development in areas designated as New Towns. The proposal was akin to the former development Corporations system, and each area would need to be designated as a New Town by the Secretary of State. It would be up to the local authority or authorities covering the area to request the establishment of any New Town Development Corporation. Officers would be looking at the detail of the consultation paper before a decision would be taken on whether or not to respond.

In respect of planning fees, the Executive Member for Planning and Enterprise advised that the House of Lords had just debated the Regulations pertaining to this matter, including the possibility for increased fees and the introduction of a new fee for prior approval of permitted development. The House of Commons would be asked to approve the changes in the near future.

At the Chairman's request, the Executive Member for Planning and Enterprise referred to the National Infrastructure Commission (NIC) final report Partnering For Prosperity: A new deal for the Cambridge – Milton Keynes – Oxford Arc, was published in November 2017. The arc was defined as stretching around 130 miles from Cambridge, via Bedford, to Oxford. Whilst the maps within the report were not of a sufficient scale to accurately plot the arc, it appeared to encompass the majority of North and East Hertfordshire and all of Luton and Stevenage.

The Executive Member for Planning and Enterprise stated that the NIC report identified the key infrastructure projects of East West Rail and the Oxford – Cambridge Expressway as a once in a life time opportunity. It recommended delivery of these projects as part of a single, integrated programme focused on identifying and exploiting major development opportunities, from smaller scale garden towns of around 10,000 homes through major urban extensions to new city-scale developments of up to 150,000 homes. Whilst the NIC report was optimistic that Government and local authorities would reach agreement on the scale and location of these new settlements, it suggested that given the importance of the arc to the United Kingdom's future prosperity, the Secretary of State must retain the power to designate new settlements in the national interest.

The Executive Member for Planning and Enterprise explained that the report stated that the most effective way to translate any arc-wide vision into policies and plans that guide the development of cities, towns and villages was through the preparation of statutory spatial plans. But then warns that any vision for the arc risks being lost if its practical expression required up to thirty separate local plans: each articulated at the district level and each focused on allocating land to meet specific local housing and employment needs. As such, it proposed, as an alternative, to develop plans at the 'larger than local' level, through local authorities and Local Enterprise Partnerships working collectively to agree a definition for sub-regional planning areas by April 2018. If agreement cannot be reached by this date, then the report recommended that the Secretary of State should define the sub-regions based on consideration of the best areas for joined up economic, transport and land-use planning.

The Cabinet felt that, in order to protect the District's interests, it was imperative that NHDC should be represented in the discussions regarding the Arc leading up to the April 2018 deadline for definition of the sub-regional planning areas and beyond. In view of the concentration of resources within the Planning Policy Team on work in association with the Local Plan Examination, it was felt that appropriate resources (if necessary using consultants) should be made available urgently should the Council need to defend its position at any forthcoming discussions/meetings regarding the Arc.

It was therefore agreed that a financial risk be built into the Budget regarding any urgent resources required to supplement the work of the Planning Policy Team on other emerging matters, such as the Oxford/Milton Keynes/Cambridge Arc, whilst the Local Plan Examination was taking place, and the Head of Development and Building Control be requested to submit a report on this matter to the March 2018 meeting of the Cabinet.

RESOLVED:

- (1) That the report on Strategic Planning Matters be noted; and
- (2) That a financial risk be built into the Budget regarding any urgent resources required to supplement the work of the Planning Policy Team on other emerging matters, such as the Oxford/Milton Keynes/Cambridge Arc, whilst the Local Plan Examination was

taking place, and the Head of Development and Building Control be requested to submit a report on this matter to the March 2018 meeting of the Cabinet.

REASON FOR DECISION: To keep the Cabinet informed of recent developments on strategic planning matters and progress on the North Hertfordshire Local Plan.

72 DRAFT BUDGET 2018/2019

The Executive Member for Finance and IT presented the report of the Head of Finance, Performance and Asset Management in respect of the Draft Budget 2018/2019. The following appendices were submitted with the report:

Appendix A – Budget Summary 2018/19 – 2012/22;
Appendix B – Revenue Efficiencies and Investment proposals;
Appendix C – Capital Investment proposals;
Appendix D – Notes of November Member Workshops (Revenue Efficiencies and Investments);
and
Appendix E – Notes of November Member Workshops (Capital).

The Chairman of the Finance, Audit and Risk Committee presented the following referral from that Committee, made at its meeting held on 18 December 2017, in respect of the Draft Budget 2018/2019 (Minute 56 refers):

“RECOMMENDED TO CABINET: That the following comments of the Finance, Audit and Risk Committee be taken into consideration by the Cabinet during its deliberations on the Draft Budget for 2018/2019:

- E9 – Cessation of Area Committee Grants – not totally supported, as the savings figure is shown for 2018/19 onwards, and yet no mechanism is in place to supersede the Area Committee Grants process;
- E11 – Cease the provision of Christmas trees in Town Centres – further discussion should take place with Town Centre Managers with a view to the Town Centre Partnerships/BID organisations taking over this provision;
- ECP12/NCP7/ECP13 – various items relating to or linked to the Lairage Car Park in Hitchin – in view of the relatively low level of use of this Car Park, consideration be given to the completion of the Parking Strategy before (and if) these items were implemented; and
- General – the appendices should be revised at final draft Budget stage to group together the items under common or related themes, rather than being ordered by value.”

The Executive Member for Finance and IT thanked the Finance, Audit and Risk Committee for its recommendations, and commented that they would be taken into account when Cabinet considered the efficiency and investment proposals later in the item.

The Executive Member for Finance and IT referred to the addendum report tabled at the meeting, which provided updated information pursuant to the Government’s Provisional Local Government Finance Settlement announced earlier in the day.

In respect of the impact of the information contained in the addendum report on the Councils’ draft Budget for 2018/19, the Head of Finance, Performance and Asset Management advised that whereas the Council had previously been subject to a cap on Council Tax increases of 2% or £5, the Provisional Settlement now permitted District Councils to increase Council Tax by up to 3%. The Council’s Medium Term Financial Strategy stated that NHDC would increase its Council Tax each year by the maximum amount allowed. It had been assumed that the 3% increase would be a one-off, and would therefore result in an estimated £75,000 additional income for 2018/19.

The Head of Finance, Performance and Asset Management further advised that the Council had been unsuccessful in its joint bid with other Hertfordshire authorities to be a Business

Tuesday, 19th December, 2017

Rates Pilot. There may be another opportunity to apply for 2019/20. In respect of negative Rate Support Grant, which the Council would be facing from 2019/20 onwards, he stated that the department for Communities and Local Government would be looking at fair and affordable options for dealing with this matter. There was also a consultation paper on Business Rate retention, the contents of which had yet to be considered.

In respect of the main report, the Executive Member for Finance and IT stated that it was his view that MHDC should be increasing its Council Tax for 2018/19 to the maximum amount allowed (ie. 3%), subject to the final approval of the Council in February 2018.

The Executive Member for Finance and IT advised that NHDC had made very significant savings over the past few years, and that this would need to continue. Excluding specific grants, the amount of money which the Government made available to the Council was reducing from £4.7Million in 2017/18 to under £3Million in 2021/22. It would therefore be increasingly difficult for the Council to continue provide the level of services currently expected to be delivered by residents.

The Executive Member for Finance and IT explained that there was continued uncertainty regarding the New Homes Bonus and Business Rates retention. Table 5 of the report listed the various specific reserves held in the Budget, with the bulk of the reserve for the Town Wide Review being in connection with the completion of work on the Royston Car Parking Review.

In relation to Paragraph 8.4.3 of the report regarding the Joint Waste Contract, the Head of Finance, Performance and Asset Management informed Members that accounting regulations required that for contracts which contained significant capital elements, in this instance refuse vehicles, the accounts needed to reflect that the Council effectively controlled and owned those vehicles. Therefore, the Council was required to treat them as capital assets. The Joint Waste Contract cost was unchanged, but part of that cost would be treated as capital expenditure. Accordingly, it provided the Council with greater flexibility in the financing of the contract, with a reduced revenue cost, which would be placed in a revenue reserve for the potential purchase of new vehicles in the future.

In respect of the recommendations of the Finance, Audit and Risk Committee, the Executive Member for Finance and IT advised that he would be discussing with officers if there was a clearer way of presenting the Budget appendices. With regard to the Lairage Car Park, he felt that it would be inappropriate to defer all spending on the car park for safety reasons. He was content to remove the proposed efficiency saving on Christmas trees. There was still the intention to provide a replacement mechanism for the approval of the grants currently approved by Area Committees.

The Executive Member for Finance and IT took the Cabinet through the list of efficiency and investment proposals set out in Appendices B and C of the report, and a number of amendments were made, as set out in Resolution (6) below.

In relation to capital funding, the Executive Member for Finance and IT commented that the Council had invested significant amounts of capital money in the District and would continue to do so. However, the Council was reaching the stage where capital assets could be depleted to such an extent that alternative sources of funding may need to be investigated.

RESOLVED:

- (1) That the announcements made in the Local Government Provisional Finance Settlement be noted;
- (2) That the estimated position on the Collection Fund and how this will be funded be noted;

- (3) That Cabinet's view is that a 3% increase in the level of Council Tax for 2018/19 would be appropriate;
- (4) That the position relating to the General Fund balance be noted, and that due to the risks identified a minimum balance of £1.76 million is recommended;
- (5) That any revenue savings arising from the capitalisation of waste vehicle costs be transferred to a specific reserve;
- (6) That the inclusion of the savings and investment proposals set out in Appendix B of the report be noted, and the following amendments made:
 - E2 – Cessation of summertime out of hours noise service – removal of this item from the list;
 - E11 - Cease the provision of Christmas trees in town centres – removal of this item from the list;
 - E21 – Charging for Garden Waste – figures would need amending should Cabinet approve the £35 one-off “early bird” introductory price later in the meeting;
 - PE8 – Four yearly District Council Elections – Council be recommended to remove this proposal when the Final Budget for 2018/19 is approved in February 2018;
 - PE23 – Proposed NHDC Lottery – Council be recommended to defer as a saving for 2018/19 and retain on the list for 2019/20;
 - PE25 – Replace Area Committees with a more informal alternative – Council be recommended to defer as a saving for 2018/19 and retain on the list for 2019/20;
- (7) That the inclusion of the Capital investment proposals set out in Appendix C of the report be noted, and the following amendments made:
 - ECP11 – Capitalised Pension Fund Contribution – Council be recommended to defer as an investment for 2018/19 and retain on the list for 2019/20;
 - General – the ordering of the list of items contained in the appendix be revised at final draft Budget stage; and
- (8) That the Council's efficiency plan be not updated.

REASON FOR DECISION: To ensure that all relevant factors are taken into consideration when arriving at the proposed Council Tax precept for 2018/19; and to ensure that the Cabinet recommends a balanced budget to Council on 8 February 2018.

73 COUNCIL TAX REDUCTION SCHEME (CTRS) 2018/2019

The Executive Member for Finance and IT presented a report of the Head of Revenues, Benefits and IT in respect of the Council Tax Reduction Scheme (CTRS) 2018/19.

The Executive Member for Finance and IT advised that no substantive changes to the CTRS for 2018/19 were proposed, only two minor revisions to ensure the consistency of the Scheme with other welfare benefit changes. A public consultation exercise had been carried out on the Scheme.

The Head of Revenues, Benefits and IT reported that there had been 72 responses to the public consultation, the majority of which had been supportive of the proposed 2018/19 Scheme.

In the light of the Government announcement regarding potential Council Tax increases, the Head of Revenues, Benefits and IT explained that this could seriously impact on the CTRS. If all 3 authorities (NHDC, Hertfordshire County Council and the Police and Crime Commissioner) increased to the maximum of their permitted Council Tax thresholds, then he

estimated that this would cost in the region of £400,000. This figure would be the reduction in the Council Tax Base for 2018/19.

RESOLVED:

- (1) That the position of the Council Tax Reduction Scheme for 2017/18 and previous years be noted;
- (2) That there be no substantive changes to the Council Tax Reduction Scheme for 2018/2019;
- (3) That Cabinet recommends to Council that changes be made to the Council Tax Reduction Scheme (CTRS) to implement the following, in order to ensure the consistency of the Scheme with other welfare benefit changes:
 - Capital and income payments of Bereavement Support payments should be disregarded for the purposes of the CTRS; and
 - Any payments made by the London Emergencies Trust (LET) or the We Love Manchester Emergency Fund (WLMEF) should be disregarded for the purposes of the CTRS; and
- (4) That Cabinet recommends to Council that the level of Scheme funding to be allocated to Parish, Town and Community Councils will be the same as 2017/18.

REASON FOR DECISION: To keep the Scheme aligned as far as possible with Housing Benefit, and to ensure that the Council complies with the requirement to ensure that a Scheme is in place by 31 January 2018.

74 JOINT WASTE COLLECTION AND STREET CLEANSING POLICY AND CUSTOMER CHARTER

The Executive Member for Waste Management, Recycling and Environment presented the report of the Head of Leisure and Environmental Services in respect of the proposed Joint Waste Collection and Street Cleansing Policy and Customer Charter to be operated as part of the new joint waste contract with East Hertfordshire District Council commencing in May 2018. The following appendices were submitted with the report:

- Appendix 1 – Draft Policies presented as part of the Outline Business Case (OBC) to Cabinet on 16 June 2015;
- Appendix 2 – Waste and Street Cleansing Policy Statements; and
- Appendix 3 – Waste and Street Cleansing Customer Charter.

The Executive Member for Waste Management, Recycling and Environment advised that the documents aimed to ensure a consistent approach for the Client Team working on behalf of both East Hertfordshire and North Hertfordshire District Councils. NHDC currently had a number of lengthy policies for waste and street cleansing and the proposed new policies were broadly in line with those existing policies.

The Executive Member for Waste Management, Recycling and Environment stated that draft versions of the policies had already been considered as part of the Outline Business case for the joint service presented to the Cabinet in June 2016.

The Executive Member for Waste Management, Recycling and Environment explained that the report introduced a new Customer Charter, which would support the Council's Customer services Policy, aiming to provide reassurance to residents on the standards of service they should expect in the new contract.

Tuesday, 19th December, 2017

The Executive Member for Waste Management, Recycling and Environment commented that the report outlined proposals for the new charging for collection of garden waste service, also scheduled to commence in May 2018. In particular, he drew attention to the proposed introduction of a reduced one-off “early bird” charge of £35 per annum for households signing up to the service in advance of the May 2018 start date. The effect of this would be to give the Client Team, and contractor the best opportunity to prepare for service commencement, in obtaining an early indication of the number of participating households and allowing for collection routes to be organised.

For those households who decided initially to not participate, but changed their minds after the commencement date, the Executive Member for Waste Management, Recycling and Environment advised that there would be a reduced charge sign up for anyone wishing to join after 1 November each year. The report did not propose the introduction of concessions. The service would remain voluntary and hence the cost and administrative complexity of handling concessions would be prohibitive.

The Executive Member for Waste Management, Recycling and Environment thanked officers of both North Hertfordshire and East Hertfordshire District Councils for their professionalism and dedication in 2017 and before in leading up to the current position, and hoped that this would continue to be the case in the final lead up to and commencement of the new joint contract in May 2018.

RESOLVED:

- (1) That the Waste Collection and Street Cleansing Policy Statements, as set out in Appendix 2 to the report, be agreed;
- (2) That the Waste and Street Cleansing Customer Charter, as set out in Appendix 3 to the report, be agreed;
- (3) That a one off “early bird” introductory price of £35 for residents signing up to payment by direct debit before 31 March 2018 for the charged garden waste collection service be agreed; and
- (4) That responsibility be delegated to the Head of Leisure and Environmental Services, in consultation with the Executive Members for Waste Management, Recycling and Environment in respect of:
 - (a) Agreeing terms and conditions for the garden waste collection service; and
 - (b) Agreeing, in consultation with East Hertfordshire District Council, the fees and charges for 2018/19 with regard to Waste Services, in particular collection of Bulky Waste.

REASON FOR DECISION: To provide clarity to residents on the service standards and access to services; and to encourage the reduced “early bird” introductory price for the new garden waste collection service to ensure that levels of take up can be assessed in sufficient time to enable adequate assets and resources to be made available to residents who request the service.

75 NORTH HERTFORDSHIRE MUSEUM AND HITCHIN TOWN HALL - ACQUISITION OF 14/15 BRAND STREET

[Prior to the consideration of this item, Councillors Bernard Lovewell, Ray Shakespeare-Smith and Michael Weeks declared that they would be withdrawing from the meeting, as they were Members of the Cabinet Sub-Committee (Council Charities), which was responsible for making decisions on the North Hertfordshire Museum and Community Facility on behalf of the Hitchin Town Hall: Gymnasium and Workmans Hall Trust. Accordingly, they withdrew from the meeting.]

The Chief Executive presented an urgent report regarding the North Hertfordshire Museum and Hitchin Town Hall – Acquisition of 14/15 Brand Street. The following appendix was submitted with the report:

Appendix A – Report and Minutes of the Cabinet meeting – 28 March 2017.

The Chief Executive began with an apology. When he had brought a similarly urgent item on this matter to the 28 March 2017 Cabinet meeting, both himself and the former Chief Financial Officer believed at the time that they were within grasp of completing a transaction to acquire 14/15 Brand Street. The passage of time over the past 9 months had shown that not to be the case, albeit that officers had tried at all points to reach a conclusion.

The Chief Executive explained that, following the 28 March 2017 Cabinet decision, it had been anticipated that the purchase transaction would be completed in early May 2017. The relevant documents had been prepared by the Council for consideration by Hitchin Town Hall Limited (HTHL) and Hitchin Town Hall Finance Limited (HTHFL) within 2 weeks of the 28 March 2017 meeting. In early May 2017, HTHL called an extraordinary meeting of their members, although it took until the end of July 2017 to elicit their views on the draft documentation.

The Chief Executive considered that the general position was that it had been turbulent in terms of the progression of discussions. Even following representations made at the 31 August 2017 Full Council meeting and some further meetings with HTHL and HTHFL, officers felt that there was still a substantial amount of progress to be made in order to reach the end point of an agreeable transaction.

Following the meeting of Council on 31 August 2017, there had been further negotiations and a revised agreement reflecting those discussions was sent to HTHL and HTHFL on 20 October 2017. That agreement as drafted would be acceptable to the Council and reflected the negotiations. Further revised versions provided to the Council on 28 November 2017 by HTHL and HTHFL had a number of fundamental issues to which the Council could not agree.

The Chief Executive explained that the negotiations with HTHL and HTHFL had been very difficult. When negotiations commenced in September 2016, the Council was very clear on the terms in which it was going to conduct those negotiations.

In respect of the comments made under Public Participation earlier in the meeting regarding the proposed acquisition, the Chief Executive stated that Mr Bunker (on behalf of Mr Pike) had made reference to the transfer of the property to the Workmans Hall Trust. This had been part of the ongoing dialogue with HTHL and HTHFL, although it would not be the Council's intention that this would be the case, given that the Council would have to pay for the acquisition of the property. In discussions with the Council's external auditors, retaining the property in Council ownership would be appropriate, with the land on which they were situated being passed back to the Trust.

In relation to the comment made by Mr Bunker that the agreement would ensure that the Town Hall could not be sold off, the Chief Executive clarified and confirmed that there would be a rolling 5 year commitment to operate the facility, whereby the Council could give notice if it was intending not to extend that commitment for a further rolling period.

With regard to the negotiation meetings, the Chief Executive considered that these were confirmed at each and every stage of the negotiations in writing to HTHL and HTHFL. In the middle of the week commencing 11 December 2017, the Chief Executive was alerted that, contrary to the previous agreement, Mr Leal-Bennett was endeavouring to contact him for conference calls. He was not available when Mr Leal-Bennett made these approaches, but he did speak to Mr Pike on the afternoon of 13 December 2017. The Chief Executive had advised that he was happy to talk to him then, but Mr Pike had replied that it was not

Tuesday, 19th December, 2017

convenient for him. Subsequent events had precluded the Chief Executive from having a telephone discussion with Mr Pike.

The Chief Executive confirmed that the scheduled meeting on 15 December 2017 had not taken place, and if there were technical and legal issues, as asserted when he and the Chief Financial Officer had attended Mr Pike's office on that day, then perhaps it would be better if those matters could be dealt with by the respective legal advisors. That approach was not supported by the other parties. The Chief Executive was reminded of a number of Project Board meetings where representatives of HTHL and HTHFL were "parachuted" in and out of meetings, which meant that negotiations were not always conducted in a co-operative and productive manner.

The Cabinet Chairman referred to the comment made by Mr Leal-Bennett that the Council had not given the Chief Executive and Chief Financial Officer instructions to carry out the negotiations. Her understanding from September 2016 was that who should undertake the negotiations was a request from HTHL, with a specific comment that they did not wish elected Members to be party to the negotiations. Therefore, the Chief Executive and Chief Financial Officer were chosen to fulfil that role.

The Executive Member for Community Engagement and Rural Affairs stated that the Council's Legal Team appeared to be able to turn things around in days, whilst the Council had to wait for weeks for a response from HTHL and HTHFL, only to see documents returned which were essentially documents to which the Council had already stated that it could not agree, and with even more clauses and additions.

The Executive Member for Community Engagement and Rural Affairs supported the recommendations contained in the report, and considered that the Council should continue to come to an agreement, but should also investigate the possibility of other courses of actions, such as use of Compulsory Purchase powers, in trying to conclude the issue.

The Executive Member for Finance and IT stated that it was not the Council's practice to simply give control of its assets to third parties. The Council needed to protect its assets to use for the benefit of all North Hertfordshire residents. There would no doubt be problems with the Council's external auditors should it cede control of its assets in the manner suggested by HTHL and HTHFL.

The Executive Member for Finance and IT took serious exception to the personal abuse directed at the Chief Executive earlier in the meeting. The speakers were entitled to their views about how meetings should be conducted, but the Council had to operate within certain guidelines. He did not feel that it was reasonable for any officer of the Council to be subject to those sort of comments. It concerned him that the Chief Executive was being asked to go back into negotiations with HTHL and HTHFL and felt that he would be within his rights to decline to do so.

The Chief Executive stated that it was partly due to the Council's duty of care to its employees, given the history of matters relating to the Hitchin Town Hall/Museum, that he agreed with the view on the negotiation arrangements. He was mindful of the protection of staff from inappropriate comments. He would therefore be reflecting on the evening's discussion in order to consider how best to move forward the Council's position to secure 14/15 Brand Street in an acceptable way. It may perhaps be more appropriate and productive for another party to be involved in any ongoing negotiations.

The Executive Member for Finance and IT found it difficult to believe some of the comments made by the speakers under Public Participation. HTHL and HTHFL had been partners who had been under no compunction whatsoever to restrict the information they had chosen to put into the public arena, knowing full well that the Council could not or would not respond in a like manner. However, it was still the case that the Council needed to find the best possible way forward on the matter, and it remained his belief that a sensibly negotiated agreement with

Tuesday, 19th December, 2017

HTHL and HTHFL was possible, provided it did not compromise the fundamental principles upon which the Council had to operate.

The Cabinet supported the comments of the Executive Member for Finance and IT, but agreed that a fall back position was required should agreement fail to be reached.

RESOLVED:

- (1) That the protracted period over which the negotiations have been taking place be noted;
- (2) That officers be instructed to prepare a full report for the next Cabinet meeting with any revised proposal and to determine whether the proposal is acceptable;
- (3) That the alternative options to a negotiated acquisition from Hitchin Town Hall Limited (HTHL) be further explored and be included in the report to Cabinet; and
- (4) That it be noted that approval of some elements of the agreement may be required from the Cabinet Sub-Committee (Council Charities).

REASON FOR DECISION: To enable the Council to complete the development of the North Hertfordshire Museum/Hitchin Town Hall project as intended by Council and operate the facility for the benefit of the local community; and to protect the Council's interests and obtain best return from the Council's existing investment and to secure projected income from the facility to offset some of the operational and fixed costs.

The meeting closed at 10.10 pm

Chairman