

NORTH HERTFORDSHIRE DISTRICT COUNCIL

CABINET

MEETING HELD IN THE FOUNDATION HOUSE, ICKNIELD WAY, LETCHWORTH
GARDEN CITY ON TUESDAY, 23RD JANUARY, 2018 AT 7.30 PM

MINUTES

Present: *Councillors Lynda Needham (Chairman), Julian Cunningham (Vice-Chairman) (until 8.50pm), 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), 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), Ian Albert, Paul Clark, Alan Millard, Martin Stears-Handscorn and Claire Strong.
10 members of the public.*

76 APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillor Jane Gray.

77 MINUTES - 19 DECEMBER 2017

RESOLVED: That the Minutes of the meeting of Cabinet held on 19 December 2017 be approved as a true record of the proceedings and signed by the Chairman.

78 NOTIFICATION OF OTHER BUSINESS

There was no notification of other business.

79 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;
- (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;
- (4) The Chairman advised of changes to the order of business on the agenda, including that, following exclusion of the press and public, Item 15 (the Part 2 item on the North Hertfordshire Museum and Hitchin Town Hall: Acquisition of 14/15 Brand Street) will be

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considered in advance of Item 13 (the Part 1 item on the same matter). The press and public will be invited back into the room for the debate on the Part 1 item; and

- (5) At the Chairman's invitation, the Chief Executive read out the following statement in respect of the Forward Plan and the items on North Hertfordshire Museum and Hitchin Town Hall: Acquisition of 14/15 Brand Street:

"A member of the public has noticed that the Council's Forward Plan, published on 22 December 2017, contained an error, in that the date of decision for this item was shown as "23 January 2017" and not "23 January 2018".

The Chairman of the Overview and Scrutiny Committee was consulted under Paragraphs 15.16 and 15.17 of the Council's Constitution regarding this matter. She accepted that there had been a typographical error, and had no objection to the matter being considered at the Cabinet meeting this evening. The typographical error was corrected in the version of the Forward Plan published on 19 January 2018.

I am content that the Council has therefore complied with its Constitutional requirements despite the typographical error on the original Forward Plan.

I have been further advised that 28 days clear notice was not provided as notification of consideration of the Part 2 report on Hitchin Town Hall and neither was a further 5 days clear notice published prior to this meeting for consideration of this report, as per Regulation 5 of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) Regulations 2012.

As these requirements have not been met, the Chairman of the Overview and Scrutiny Committee has been consulted and, in the circumstances, has agreed to the Part 2 report being considered this evening on the basis that the meeting is urgent and cannot reasonably be deferred. The Chairman of the Overview and Scrutiny Committee is satisfied that compliance with this Regulation is impracticable and that Paragraph 15.16 of the Constitution cannot be followed. The Chairman is authorised to provide this agreement under Regulation 5(6) of the Regulations and Paragraph 15.17 of the Council's Constitution."

80 PUBLIC PARTICIPATION

The meeting was addressed by Mr Colin Dunham (Hitchin resident) in respect of the North Hertfordshire Museum and Hitchin Town Hall – 14/15 Brand Street. Mr Dunham asked the following questions:

- Confusion reigns with the current situation, and now we have a vast amount of taxpayers money being talked about for a Compulsory Purchase Order (CPO). At the same time more money is being talked about for listed building consent involving the Secretary of State. Why?
- Does seeking listed building consent mean that a CPO is not cut and dried?
- Where is the projected income from this project going to come from?
- As Hitchin and Letchworth are Fair Trade Towns can assurance be given that when the Museum opens fair trade products will be offered to the public?
- Does the cost so far of the Town Hall and District Museum contain outside legal costs? Does it contain officer time?
- What happened to an offer by Bim Afolami MP to mediate?
- Why did NHDC construct a building on 14/15 Brand Street when they did not own the land?
- The Chief Executive last year said that he has spent too much of his time on a project of this size. How much more time has he spent since he made that statement?

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The Chairman thanked Mr Dunham for his questions and advised that he would receive a written response to them in due course.

81 ITEM REFERRED FROM FINANCE, AUDIT AND RISK COMMITTEE: 22 JANUARY 2018 - DRAFT REVENUE BUDGET 2018/2019

The Chairman of the Finance, Audit and Risk Committee presented the following referral from that Committee, made at its meeting held on 22 January 2018, in respect of the Draft Revenue Budget 2018/2019 (Minute 66 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 Revenue Budget for 2018/2019:

- E9 – Cessation of Area Committee Grants – concern was expressed regarding the transfer of Area Committee grants budgets to a Member Panel, in advance of the discussion and decision on any replacement mechanism for Area Committees; and as part of any changes to the grants-making process, a more cost-effective way of administering the grants should be investigated.”

The Executive Member for Finance and IT stated that he was supportive of the recommendation of the Finance, Audit and Risk Committee.

RESOLVED: That the recommendation of the of the Finance, Audit and Risk Committee be supported and taken into consideration during the Cabinet’s deliberations on the Draft Revenue Budget 2018/2019 (See Minute 83 below).

82 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; and Government announcements.

The Executive Member for Planning and Enterprise reminded Members that, at its meeting held on 19 December 2017, the Cabinet had identified a significant future risk in relation to planning policy and the emerging strategies and plans that were likely to have a significant impact on North Hertfordshire (such as the Oxford-Cambridge Arc). It was determined that the Council should be able to respond to these and attempt to protect the interests of the District. In setting the budget for next year, the minimum General Fund balance was affected by an assessment of known risks. The relevant planning risk had been broadened in scope and value (to £250,000) and the likelihood increased to high. As at the end of November 2017, it was forecast that planning income would exceed the current budget by £137,000 (excluding the impact of the 20% increase in planning fees). It was proposed that this be put into a reserve to provide the funding (e.g. additional officer resource, consultants) to be able to respond to and influence the plans, policies, strategies and proposals that impacted upon the District.

The Executive Member for Planning and Enterprise advised that the Council had submitted a bid for £250,000 of Planning Delivery Fund monies, as a lead authority on behalf of Stevenage Borough Council, Welwyn Hatfield District Council and East Hertfordshire District Council. He commented that, should the bid be successful, then some of that money could be used to fund work on new settlements.

On other matters, the Executive Member for Planning and Enterprise updated the Cabinet as follows:

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- Central Bedfordshire Local Plan – the pre-submission version was currently out for consultation, with a view to adopting the Plan before the new standard calculation for housing numbers came into force in March 2018;
- East Hertfordshire Local Plan – the Examination Inspector had issued a post-hearing note asking the Council to increase its Objectively Assessed Need housing figure by 14% to 14,600 homes;
- Welwyn Hatfield Local Plan – the draft timetable had been published for Stage 3 of this Examination;
- Stevenage Local Plan – the holding direction from the Secretary of State was still in place;
- St. Albans Local Plan – an issues and options consultation would be taking place between January and February 2018;
- North Hertfordshire Local Plan – the Examination sessions had resumed on 23 January 2018 and would be ongoing;
- Neighbourhood Plans – following a public consultation Wymondley Parish Council had requested that its Neighbourhood Plan be submitted for examination; the draft Preston Neighbourhood Plan was currently out for consultation from 8 January to 18 February 2018;
- Brownfield Register – as required by Regulations, NHDC had compiled a list of identified brownfield sites and published it on the website; NHDC currently had no optional Part 2 register, which was sites the Council considered appropriate to grant permission in principle;
- New Towns Act 1981 (Local Authority Oversight) Regulations - consultation on these Regulations was published on 4 December 2017. The consultation paper proposes that the designation of New Town Development Corporations was potentially an effective mechanism to drive forward the delivery of modern Garden Towns and Villages; and
- Planning fee increases - the new fee Regulations were made on 20 December 2017 and came into force on 17 January 2018. Primarily, the Regulations provided for an increase of approximately 20% for all existing application fees. This increase was offered by Government to all local planning authorities if they agreed that the additional money would be re-invested within their planning department. Unsurprisingly, all local planning authorities had accepted the offer.

RESOLVED: That the report on Strategic Planning Matters be noted.

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

83 DRAFT REVENUE 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 Revenue 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; and
Appendix C – Budget Risks for 2018/19.

The Executive Member for Finance and IT advised that this was the final opportunity for the Cabinet to make recommendations to the budget and the underlying strategy before formal recommendation to Council.

The Executive Member for Finance and IT stated that, whilst Local Authorities had to operate in an environment where they had to show their auditors that they were operating a balanced budget on a year to year basis, they also had to consider the operation of their finances on a medium term basis. Hence, NHDC had a Medium Term Financial Strategy (MTFS) that set out the Council's approach for operating its finances over a five year period, and also why when presenting the proposed budget figures it tried to estimate the potential position of its funds over a similar period.

The Executive Member for Finance and IT commented that the impact of local government finance on NHDC was a matter of considerable uncertainty. It was not his intention to detail the very significant reductions in funding that the Council had dealt with over the last seven years, but he drew attention to Table 1 in the report which clearly showed that over the next two years NHDC faced a further reduction in funding of more than 40%.

The Executive Member for Finance and IT advised that it was a sad inevitability that the Council was now at the stage where it had to seriously consider cuts to the provision of front line services or find alternative ways to finance its operations. He found the whole concept of “negative” Revenue Support Grant (RSG) a total anathema. Whilst it might be appropriate for the Government to say that NHDC did not need general financial support, it could not be appropriate to require residents of North Hertfordshire to contribute to the provision of services in other Local Authorities. In this context, whilst he welcomed the Minister’s budget announcement that the question of negative RSG would be examined, there was no certainty that there would be any significant changes.

In respect of the detail of the report, the Executive Member for Finance and IT commented as follows:

- Table 1 showed a 42% reduction in general Government funding (excluding specific grants to cover such matters as housing and Council tax benefit, which were detailed in Table2);
- There were still many hundreds of Business Rate appeals outstanding from the 2010 revaluation, and these would ripple through into the final 2017 revaluation exercise. Most of the top 10 businesses in North Hertfordshire had outstanding appeals. This made forecasting difficult. This was compounded by the uncertainty surrounding the proposed retention of business rates by local authorities;
- In respect of the Council Tax Collection Fund, he was pleased to report that the Council expected eventually to collect over 99% of all Council Tax due, and the in-year collection rates of over 98% placed the Council amongst the top performing authorities in this field;
- The MTFs indicated that the Council would charge Council Tax at the maximum level to which the Government permitted without the need for a referendum. For 2018/19, he recommended a proposed increase of 2.99%, as detailed in Table 3;
- CIPFA guidance indicated a minimum of 5% of general expenditure as reserves, as set out in Table 5. Added to this would be the specific reserves that the Council made against certain risks, which were set out in Table 6 and in Appendix C to the report. He asked the Cabinet to note Risks FR23 and 24 in Appendix C, where the actual amounts and likelihood figures relating to planning functions had been increased, in order to allow the Council to operate effectively and protect the District and its environment;
- He therefore recommended that the General Fund minimum balance should be set at £2.15Million;
- Table 7 detailed the variances to the current budget at the end of November 2017, together with a forecast of the year end position. In respect of the Vacancy Control Target, he clarified that it was not the Council’s intention to run 20 vacant posts, but rather that this figure mostly related to the time lag between losing staff and being able to replace them;
- Also in Table 7, he drew attention to the position on Area Committee Grants. If it was the case that the Council was receiving fewer grant applications then he was loathe to simply allow a carry over of the underspend in this area. If, however, it could be attributed to delays in actually accessing allocated amounts then this was a different matter. Following advice from the Head of Finance, performance and Asset Management, it was recommended that this matter be reviewed at the end of the current financial year;
- Table 8 detailed the savings items previously agreed by the Council and thus to recommend to Council that they be either reversed for the future or deferred for the time being. He recommended a further adjustment to this table regarding Efficiency E16 (Apprenticeship Scheme). Whilst it had previously been indicated that this Scheme was to be kept under review, he had been persuaded that that there were significant benefits

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to the Council in continuing to operate the scheme, and he therefore recommended that it was deleted as a saving going forward;

- In respect of the previously discussed efficiencies set out in Appendix B to the report, he had received many representations regarding Efficiency E9 (Cessation of Area Committee Grants) and the Finance, Audit and Risk Committee had made a recommendation in this regard. He reminded Members that the proposed savings on Area Committee operations had been deferred for a further year, as had consideration of a local lottery, which might impact on Area Committee grant funding. He had come to the conclusion that it was probably most sensible to leave the existing mechanism in place, with revenue grants being dispersed through Area Committees. He therefore recommended a further amendment to the list of savings to amend E9 to show a 30% reduction in grants available to Area Committees for 2018/19;
- In respect of Efficiency E20 (Waste Contract Lot 2 Award), as it was confirmed that it was now expected that the savings attributable to this item would be zero, he recommended that the item be removed from the list; and
- The projected budget figure of £14.6Million in 2018/19 may need to be amended in the light of some of the aforementioned changes, and it was proposed that up to date figures would be available for consideration at the Council meeting on 8 February 2018.

Returning to the generality of the report, the Executive Member for Finance and IT explained that the figures in Appendix A to the report still showed a need for further budget savings to be identified by 2021/22. In the light of the relatively small amount, it could perhaps be argued that the level of proposed general reserves that the Council was carrying was not necessary. However, he had already referred to the general uncertainty surrounding Local Government finance and had alluded to the need for the Council to find new ways of financing its activities, such as commercialisation. He therefore perceived the need to be able to support such activities through their early years until they were able to deliver a regular income flow for the Council.

The Executive Member for Finance and IT felt that this further militated in favour of the proposed higher level of reserves that he was recommending. Even if he was wrong and the future was considerably more rosy than current expectations, he would much rather be in a position where the Council could revisit its funding needs because it had over-reserved, rather than be in a position where it had to take an axe to staff and services because the risks had been underestimated. The proposed level of reserves was still significantly below the maximum CIPFA recommended level.

The Cabinet supported the recommendations made by the Executive Member for Finance and IT.

RECOMMENDED TO COUNCIL:

- (1) That the expected Central Government funding levels be noted;
- (2) That the estimated position on the Collection Fund and how this will be funded be noted;
- (3) That a 2.99% increase in Council Tax for 2018/19 be approved;
- (4) That the position relating to the General Fund reserve be noted and, that due to the risks identified, a minimum balance of £2.15 million is recommended;
- (5) That the reduction in the 2017/18 working budget of £682,000 be approved, and the expected impact in 2018/19 of a £82,000 reduction in budget be noted;
- (6) That the requests for the carry-forward of budgets that total £198,000 from 2017/18 to 2018/19 be noted, subject to further review of the carry forward relating to Area Committee Budgets at the end of the 2017/18 Financial Year;

- (7) That the inclusion of the efficiencies and investment proposals, as set out at Appendix 2 to the report, in the General Fund budget estimates for 2018/19 be approved, subject to the following amendments:
- Efficiency E9 (Cessation of Area Committee Grants) – amendment to show a 30% reduction in grants available to Area Committee;
 - Efficiency E16 (Apprenticeship Scheme) – to be removed from the list of efficiency savings;
 - Efficiency E20 (Waste Contract Lot 2 Award) – removal from the list for 2018/19 as it was expected that the savings attributable to this item would be zero;
- (8) That the amendments to previously agreed efficiencies, as detailed in Paragraph 8.5.3 and Table 8 of the report, be approved;
- (9) That the proposal that any revenue savings arising from the capitalisation of waste vehicle costs are transferred to a specific reserve be noted;
- (10) That the savings targets for future years be noted; and
- (11) That the estimated 2018/19 net expenditure of £14.6Million, as detailed in Appendix 1 to the report, as amended, be approved.

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.

84 CAPITAL PROGRAMME 2018/2019 ONWARDS

The Executive Member for Finance and IT presented a report of the Head of Finance, Performance and Asset Management in respect of the proposed Capital Programme 2018/19 onwards. The following appendices were submitted with the report:

Appendix A – Capital Programme Summary;
Appendix B – Capital Programme Detail; and
Appendix C – Capital Investment Proposals for 2018/19 and onwards.

The Executive Member for Finance and IT began advising that the years set out in recommendation 2.2 of the report should be amended from “2017/18 to 2020/21” to “2018/19 to 2021/22”.

The Executive Member for Finance and IT stated that, for a number of years, the Council had been investing a significant amount of capital expenditure across North Hertfordshire. Much of those capital resources had come from the transfer of Council housing to North Hertfordshire Homes some years ago; some had come from the sale of land considered surplus to Council requirements; some had come from developer contributions via Section 106 Agreements; and some had come from Government grants.

The Executive Member for Finance and IT reported that the above mentioned capital money was coming to an end. The Capital Programme as currently set out implied that, if nothing changed, then the balance in capital assets would be zero by the end of 2018/19. However, revenue reserves could be used to bolster the Capital Programme, and there was also the facility to borrow money.

The Executive Member for Finance and IT explained that another variable was the possibility of large scale capital projects overrunning, both in terms of time and budget.

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The Executive Member for Finance and IT advised that the Council expected to generate capital receipts of around £8.5Million over the period 2018/19 to 2021/22. The Government's Capital Receipts Direction allowed new capital receipts to be used for one-off revenue purposes to support transformation and efficiency projects that delivered ongoing revenue savings.

The Executive Member for Finance and IT referred to the Capital Investment proposals set out in Appendix C to the report. He drew attention to Item NCP4 (Royston Leisure Centre Extension), which was a proposed expenditure of £1Million, and which if it proceeded would deliver revenue income for the Council. In respect of Item ECP12 (Hitchin Swimming Pool Car Park extension), he explained that there had been a Public Inquiry regarding the proposed extension of the car park onto the Butts Close area of Hitchin. If the result of the Public Inquiry was not favourable to the Council then it may be that the capital budget of £476,000 may need to be re-allocated.

In response to a Member's request, the Executive Member for Finance and IT undertook to ensure that, where appropriate, all future asset disposals considered the possibility of long leases, as well as the option of outright sale.

RECOMMENDED TO COUNCIL:

- (1) That the inclusion in the proposed Capital Programme of all the new Capital Investment proposals listed in Appendix C to the report, totalling £3.274Million overall (£1.931Million profiled in 2018/19) be approved; and
- (2) That the provisional Capital Programme for 2018/19 to 2021/22 of £17.075Million, as detailed in Appendices A and B to the report, be adopted.

REASON FOR DECISION: To ensure that the Capital Programme meets the Council's objectives and that officers can plan the implementation of the approved schemes.

85 TREASURY MANAGEMENT STRATEGY FOR 2018/2019

The Executive Member for Finance and IT presented a report of the Head of Finance, Performance and Asset Management in respect of the proposed Treasury Management Strategy for 2018/19. The following appendices were submitted with the report:

Appendix A – Treasury Management Policy Statement;
Appendix B – Treasury Management Practices; and
Appendix C – Treasury Strategy Statement.

The Executive Member for Finance and IT advised that the Strategy was very similar to previous strategies. However, one of the most significant changes related to the proposal that the Council extended its borrowing limits. As shown in Paragraph 3.2 of Appendix C to the report, it was proposed to increase the Council's borrowing operational boundary from £4Million to £5Million, and its authorised limit for external debt from £6Million to £15Million.

The Executive Member for Finance and IT drew members' attention to Paragraph 2.3 of Appendix C, in respect of the Minimum Revenue Provision (MRP) Policy Statement. If the Council found itself in a position where it needed to borrow, then part of that requirement was that the Council set aside revenue provision over the period of the loan for repayment. The two options to make this provision were set out in Paragraph 2.3, and the Council would look at the most appropriate method based on the reasons for the borrowing.

RECOMMENDED TO COUNCIL: That the 2018/19 Treasury Strategy Statement, as attached at Appendix C to the report, be adopted.

REASON FOR DECISION: 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.

86 PIRTON NEIGHBOURHOOD PLAN - EXAMINER'S REPORT

The Executive Member for Planning and Enterprise presented the report of the Head of Development and Building Control in respect of the Pirton Neighbourhood Plan – Examiner's Report. The following appendices were submitted with the report:

Appendix A – Pirton Neighbourhood Development Plan 2011-2031 – Independent Examiner's Report; and
Appendix B – Schedule of proposed modifications and responses.

The Executive Member for Planning and Enterprise advised that, in September 2013, Pirton Parish Council had applied for a Neighbourhood Plan for Pirton. Since then, a great deal of work had gone into the Plan. The Plan had eventually been submitted for Examination and had been examined by an Independent Examiner in November 2017.

The Executive Member for Planning and Enterprise stated that, subject to the acceptance of the Examiner's modifications set out in Appendix B to the report, it was recommended that the Pirton Neighbourhood Plan proceed to referendum stage. The referendum was required to be held within 56 days of the Council's decision. The duties of the Counting Officer for the referendum would be carried out by the NHDC Returning Officer, and it was expected that the referendum would take place in March 2018.

The Executive Member for Planning and Enterprise commented that should there be a favourable response to the referendum (ie. at least 50% + 1 of those who voted voting in favour of the Plan), then the Local Planning Authority would "make" the Pirton Neighbourhood Plan within 8 weeks of the date of the referendum. The Plan would then form part of the Statutory Development Plan, and policies contained in the Plan would be used in determining planning applications in Pirton.

RESOLVED:

- (1) That the Examiner's report for the Pirton Neighbourhood Plan, as set out at Appendix A to the report, be noted;
- (2) That following the inclusion of the Examiner's proposed modifications to the Pirton Neighbourhood Plan, as set out in Appendix B to the report, it is approved to proceed to a referendum;
- (3) That the Counting Officer be instructed to conduct a referendum on the Pirton Neighbourhood Plan; and
- (4) That the decision to "make" the Pirton Neighbourhood Plan be delegated to the Head of Development and Building Control, in consultation with the Executive Member for Planning and Enterprise.

REASON FOR DECISION: To progress the Pirton Neighbourhood Development Plan, enable a referendum to take place and following a vote of more than 50% in favour of the Pirton Neighbourhood Development Plan to make the Pirton Neighbourhood Development Plan.

87 SALE OF LAND AT LUMEN ROAD, ROYSTON

The Executive for Finance and IT presented a report of the Head of Finance, Performance and Asset Management in respect of the proposed sale of land at Lumen Road, Royston. The following appendix was submitted with the report:

Appendix 1 – Location Plan showing the original site and the land that is now proposed to be sold (edged in black).

The Executive for Finance and IT advised that this site had been earmarked for disposal for a number of years. Some time ago it was agreed that the land be sold to the Aldwyck Housing Group for the provision of affordable housing.

The Executive for Finance and IT stated that during discussions, a query had emerged with regard to the ownership of a strip of land, as shown on the plan attached as the appendix to the report, and hence this land was removed from the original proposal. However, subsequent further investigations had revealed that the Council was the owner of this strip of land.

The Executive for Finance and IT explained that the Aldwyck Housing Group had originally purchased the land on the basis that this strip of land would be included. Officers had negotiated with Aldwyck and had agreed a sale price of £25,000 for the land, subject to the Cabinet's approval.

RESOLVED: That the sale of land at Lumen Road, Royston for £25,000 to Aldwyck Housing Group be agreed.

REASON FOR DECISION: To gain a capital receipt from the sale of the site, in order to provide additional housing in the District and avoid the maintenance costs involved in owning a small parcel of land.

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

[Prior to the consideration of this item and Minute 90 below, 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.]

[Note: this item was considered after Minute 90.]

The Executive Member for Community Engagement and Rural Affairs presented the Part 1 report of the Chief Executive regarding the North Hertfordshire Museum and Hitchin Town Hall – Acquisition of 14/15 Brand Street.

The Executive Member for Community Engagement and Rural Affairs clarified that, in Recommendation 2.2 of the report, the alternative options set out in Paragraph 4.1 should include listed building consent as part of the costed options appraisal.

The Executive Member for Community Engagement and Rural Affairs confirmed that the Council was not stopping negotiations with Hitchin Town Hall Limited and Hitchin Town Hall Finance Limited (indeed, a further meeting was arranged to take place on 2 February 2018), and was still hoping that a settlement could be reached for the acquisition of 14/15 Brand Street. However, the Council was now at a stage where it needed to look forward should a settlement not be reached. This would include investigation of alternative courses of action, such as use of Compulsory Purchase powers and other costed options, including listed building consent.

The Executive Member for Community Engagement and Rural Affairs commented that the Council had to carry out its duties within legal requirements, and was therefore unable to act in what could be described as a “normal business manner”. The Rules and Regulations to which

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councils were required to adhere were much more stringent than businesses had to endure. Everything the Council did had to comply with the requirements of its Section 151 (Chief Financial) Officer and its External Auditors.

The Cabinet supported the recommendations to move forward, as set out in the report.

RESOLVED:

- (1) That the current position in relation to the negotiations regarding the acquisition of 14/15 Brand Street be noted;
- (2) That officers be required to progress the alternative options, as identified in Paragraph 4.1 of the report, to enable the North Hertfordshire Museum to open fully (whilst keeping open the possibility of a negotiated settlement); and
- (3) That it be noted that some elements of any settlement 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.

89 EXCLUSION OF PRESS AND PUBLIC

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 Paragraphs 3 and 5 of Part 1 of Schedule 12A of the said Act (as amended).

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

[Note: this item was considered before Minute 88.]

The Executive Member for Community Engagement and Rural Affairs presented a Part 2 report of the Chief Executive regarding the North Hertfordshire Museum and Hitchin Town Hall – Acquisition of 14/15 Brand Street.

The Chief Executive commented that the expected legal advice regarding the potential for the use of Compulsory Purchase Order powers was still awaited.

The Executive Member for Community Engagement and Rural Affairs confirmed that the Council still wished to come to an agreed negotiated settlement with Hitchin Town Hall Limited (HTHL) and Hitchin Town Hall Finance Limited (HTHFL) over the acquisition of 14/15 Brand Street. However, it was now recommended that other “back-up” options, including listed building consent and Compulsory Purchase, should be investigated.

The Cabinet noted the fundamental concerns, as set out in Section 8 of the report, that the Council still had over the settlement agreement drafted by HTHL and HTHFL.

RESOLVED: That the current position in relation to the negotiations for the acquisition of 14/15 Brand Street be noted, and the fundamental concerns about the settlement agreement as drafted by HTHL/HTHFL be agreed.

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

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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 9.20 pm

Chairman