

NORTH HERTFORDSHIRE DISTRICT COUNCIL

CABINET

MEETING HELD IN THE LOWER HALL, ICKNIELD CENTRE, ICKNIELD WAY,
LETCWORTH GARDEN CITY ON TUESDAY, 13TH JUNE, 2017 AT 7.30 PM

MINUTES

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

In Attendance:

David Scholes (Chief Executive), Norma Atlay (Strategic Director of Finance, Policy and Governance), Ian Couper (Head of Finance, Performance and Asset Management), Ian Fullstone (Head of Development and Building Control), Louise Symes (Strategic Planning and Projects Manager), Stuart Izzard (Communities Manager), Anthony Roche (Corporate Legal Manager) and Ian Gourlay (Committee and Member Services Manager).

Also Present:

Councillors Simon Harwood (Vice-Chairman of Finance, Audit and Risk Committee) and Frank Radcliffe.

1 APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillors Julian Cunningham (Vice-Chairman) and Michael Weeks.

2 MINUTES - 28 MARCH 2017

RESOLVED: That the Minutes of the meeting of Cabinet held on 28 March 2017 be approved as a true record of the proceedings and signed by the Chairman.

In response a Member's question in respect of progress with the acquisition of 14/15 Brand Street in connection with the North Hertfordshire Museum project (Minutes 128 and 129 refer), the Chief Executive stated that, pursuant to the Cabinet meeting on 28 March 2017, legal documentation regarding the conveyance of the property had been prepared and sent to Hitchin Town Hall Limited and Hitchin Town Hall Finance Limited. The matter was currently with their solicitors, but despite regularly chasing, progress appeared slow. The Council would continue to push for the legal documentation to be signed and the Chief Executive would keep Cabinet Members updated with progress.

3 NOTIFICATION OF OTHER BUSINESS

There was no notification of other business.

4 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.

5 PUBLIC PARTICIPATION

There was no public participation.

6 ITEM REFERRED FROM FINANCE, AUDIT AND RISK COMMITTEE: 12 JUNE 2017 - RISK MANAGEMENT UPDATE AND ANNUAL REPORT ON RISK MANAGEMENT

The Vice-Chairman of the Finance, Audit and Risk Committee presented the following referral from that Committee, made at its meeting held on 12 June 2016, in respect of a Risk Management Update and Annual Report on Risk Management 2016/17 (Minute 12 refers):

“RECOMMENDED TO CABINET:

- (1) That the reduction in the score for the “Increased Homelessness and use of B & B” risk from a 7 to a 5 be approved;
- (2) That the reduction in the score for the “Office Accommodation” risk from a 7 to a 5 be approved;
- (3) That a reduction in the likelihood score for the “Sale of Materials” sub-risk to a 2 – Medium – be approved; and
- (4) That the Annual Report on Risk and Opportunities Management 2016/17, as set out at Appendix B to the report, be supported and referred to Council for approval.”

The Cabinet was pleased that the “Increased Homelessness and use of B & B” risk was proposed to be reduced in score. It was noticed that the Risk matrix which formed part of the Annual Report on Risk and Opportunities Management 2016/17 showed the aforementioned risk as 5 score when at that time it should have been a 7 score. This was an error, which would be corrected in the version of the Annual report which would be submitted to Council on 19 July 2017.

RESOLVED:

- (1) That the reduction in the score for the “Increased Homelessness and use of B & B” risk from a 7 to a 5 be approved;
- (2) That the reduction in the score for the “Office Accommodation” risk from a 7 to a 5 be approved;
- (3) That a reduction in the likelihood score for the “Sale of Materials” sub-risk to a 2 – Medium – be approved; and

RECOMMENDED TO COUNCIL: That the Annual Report on Risk and Opportunities Management 2016/17, as set out at Appendix B to the report, and as amended, be approved.

REASON FOR DECISION: To comply with the requirements of the Risk and Opportunities Management Strategy.

7 STRATEGIC PLANNING MATTERS

The Executive Member for Planning and Enterprise presented a report of the Strategic Director of Planning, Housing and Enterprise 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 following appendices were submitted with the report:

Appendix A – Copy of NHDC response to Luton Borough Council on the “proposed main modifications” to their Pre-Submission Local Plan; and

Appendix B – Hertfordshire Infrastructure and Planning Panel (HIPP) joint response to consultation on DCLG Housing White Paper “Fixing our broken Housing Market”.

The Executive Member for Planning and Enterprise updated the Cabinet on the following matters:

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- Duty to Co-operate with neighbouring authorities – 19 Memoranda of Understandings/Statements of Common Ground with neighbouring authorities were at various stages of completion (11 had been signed; 4 were under consideration; 2 were in preparation; and 2 were about to be prepared). When completed, these would be provided to the appointed Local Plan examination Inspector as part of the examination submission documents;
- East Hertfordshire and Welwyn Hatfield Local Plans – these were on similar timelines to the North Hertfordshire Local Plan, and were consequently awaiting dates for their respective examinations;
- Luton Local Plan – the Inspector’s report had been published and consultation had taken place on some “proposed main modifications” and the Council had prepared a response, attached at Appendix A to the report, primarily in respect to transport matters;
- Stevenage Local Plan – the examination sessions had concluded and consultation on the some “proposed main modifications” had commenced on 12 June 2017 for a period of six weeks. If required, a response would be prepared and reported to Cabinet in due course;
- St. Albans Local Plan – a Judicial Review into the Inspector’s conclusion that St. Albans Council had failed to meet the legal requirements under the duty to co-operate on its Local Plan would be held on 21 and 22 June 2017;
- North Hertfordshire Local Plan – The Plan had been submitted to the Planning Inspectorate on 9 June 2017. An Examination Inspector (Simon Berkeley) and Programme Officer (Louise St. John Howe) had been appointed. The Council’s website will be updated accordingly and Members will be informed via the Members’ Information Service. Dates for the Examination had yet to be supplied.
- Neighbourhood Plans – consultation on the Pirton Neighbourhood Plan had taken place between 9 February 2017 and 23 March 2017. 205 representations had been received and would be collated by an independent examiner before a referendum on the Plan could be held; an application to designate Bygrave Parish, Clothall Parish and the unparished area of Baldock as a Neighbourhood Planning Area had been received and would be consulted on for four weeks from 9 June 2017, with outcomes being reported to Cabinet in July 2017; Delegated authority to undertake public consultation on the Wymondley Neighbourhood Plan proposed submission document had been agreed and the consultation period would be commencing during the week commencing 19 June 2017; and
- Government announcements – A joint Hertfordshire Infrastructure and Planning Partnership response to the Government Housing White Paper “Fixing our Broken Housing Market”, attached as Appendix B to the report, had been prepared and sent; the National Infrastructure Commission (NIC) had published a discussion paper on strategic planning and governance in the Cambridge/Milton Keynes/Oxford corridor; the Neighbourhood Planning Bill received Royal Assent on 27 April 2017, and the subsequent Regulations would be reported as soon as they were received.

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.

8 REVENUE BUDGET OVERTURN 2016/17

The Cabinet Chairman presented the report of the Strategic Director of Finance, Policy and Governance in respect of the Revenue Budget Outturn 2016/17. The following appendices were submitted with the report:

Appendix A – General Fund Summary 2016/17; and
Appendix B – Carry Forward Budgets requested for 2017/18.

The Cabinet Chairman advised that the net expenditure on the General Fund in 2016/17 was £15.974million. This was a net decrease of £1.294million on the working budget of £17.268million. She referred to Table 2 of the report, which set out the significant variances, and she highlighted a number of these.

The Cabinet Chairman stated that the estimated impact on the 2017/18 budget was a £228,000 increase in budget, which included the request to carry forward £255,000 of budgets from 2016/17 to 2017/18 for projects that were not completed by the end of the financial year. The Cabinet was requested to approve the total budgets to be carried forward of £642,100.

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The Cabinet Chairman explained that, at the end of 2016/17, the Council had retained a total of £3.227million of Business Rates income, £819,000 more than had been projected to this point. This was primarily due to the Council's Business Rates Collection Fund benefiting from a change in the discretionary reliefs issued. In 2015/16, NHDC issued retail reliefs worth £760,000. Any compensation received from Central Government for this relief would be posted to the General Fund and transferred to an earmarked reserve to fund the payment of the deficit on the Collection Fund. The equivalent retail relief issued in 2016/17, however, reduced to £16,000 due to a change in the national scheme. This reduction in relief issued therefore increased the level of Business Rates income in the Collection Fund and contributed to increasing the amount that the Council retained.

The Cabinet Chairman drew attention to Table 5 of the report, which summarised the General Fund impact at the end of March 2017, and which showed a difference of £2.272million.

The Head of Finance, Performance and Asset Management commented that the Cabinet was also being asked to recommend to Council that the net contribution to reserves of £4,000 be approved, which left a total balance in earmarked reserves at 31 March 2017 of £4.609million.

In respect of the increase in Planning Control Fees and Charges, the Executive Member for Planning and Enterprise commented that this was due to increased confidence amongst developers as a result of positive progress on the North Hertfordshire Local Plan. This was set to continue as applications were submitted on some of the larger allocated sites in the Plan. The Cabinet Chairman advised that, if the ability to meet statutory deadlines in respect of the determination of applications for such sites was compromised, she would be supportive of (if necessary) additional meetings of the Planning Control Committee being arranged.

RESOLVED:

- (1) That the contents of the report be noted;
- (2) That a decrease of £1.294million in the 2016/17 General Fund expenditure, as identified in Table 2 and Paragraph 8.1 of the report, to a total of £15.974million, be approved;
- (3) That the requested changes to the 2017/18 General Fund budget, as identified in Table 2 and Paragraph 8.2 of the report, of a £227,000 increase in net expenditure and the total carry forward into 2017/18 of budgets from 2016/17 of £642,000, be approved; and

RECOMMENDED TO COUNCIL: That the net transfer to earmarked reserves of £4,000, as identified in Table 6 and Paragraph 8.14 of the report, be approved.

REASON FOR DECISION: To monitor and request appropriate action of Services who do not meet the budget targets set as part of the Corporate Business Planning process; and to ensure that changes to the Council's balances are monitored and approved.

9 ANNUAL TREASURY MANAGEMENT REVIEW 2016/17

The Cabinet Chairman presented a report of the Strategic Director of Finance, Policy and Governance in respect of the Annual Treasury Management Review 2016/17. The following appendix was submitted with the report:

Appendix A – Annual Treasury Management Review 2016/17.

The Cabinet Chairman advised that, during 2016/17, the Council had generated £0.444million of interest from its investments. This was slightly above the budgeted total of £0.440million. The Council continued to invest in smaller Building Societies (subject to checks that compared the size of the Society with that of the investment) but did not invest outside of the United Kingdom.

The Cabinet Chairman stated that the Council had repaid £1.035million of borrowing during the year as it had matured. The Council had £0.480million of remaining borrowing. This borrowing was at a fixed rate for a fixed period. The premium from repaying this borrowing early meant that it was not worthwhile.

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The Cabinet noted that the Council complied with its legislative and regulatory requirements. There was one minor breach of the limit that was set on the percentage that could be invested with a single counterparty.

The Cabinet Chairman explained that the forecast was that investment income would continue to fall due to market conditions and balances being used to fund the Capital Programme.

RESOLVED: That the position of Treasury Management activity as at the end of March 2017 be noted.

RECOMMENDED TO COUNCIL:

- (1) That the actual 2016/17 prudential and treasury indicators be approved; and
- (2) That the Annual Treasury Management Report for 2016/17 be noted.

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.

10 CAPITAL PROGRAMME OUTTURN 2016/17

The Cabinet Chairman presented a report of the Strategic Director of Finance, Policy and Governance in respect of the Capital Programme Outturn 2016/17. The following appendices were submitted with the report:

Appendix A – Capital Programme Summary 2016/17 onwards; and
Appendix B – Capital Programme Detail including Funding 2016/17 onwards.

The Cabinet Chairman advised that the outturn capital expenditure for 2016/17 was £5.686million. This was a reduction of £3.745million on that reported at the end of the third quarter. The decrease in spend was largely due to re-profiling spend into future years.

The Cabinet Chairman referred to Table 2 of the report, which showed the scheme timetable revisions. The most significant proposal was for a request for the further capitalisation of Pension Fund Contributions. It was noted that approval was required from the Department for Communities and Local Government (DCLG) to grant a capitalisation request, where capital funding was used for what would usually be considered to be revenue purposes. When the Council last made this type of application (3 years ago) it was granted. This time the application had been denied on the basis that the Council's reserves would still be above the minimum level at the end of 2020/21. Officers had highlighted to the DCLG that this was dependent on the delivery of significant savings and had asked them to reconsider their position on the matter.

The Cabinet Chairman stated that Table 3 of the report showed changes to the Capital Schemes scheduled to have commenced in 2016/17. The funding of the Capital Programme for 2016/17 was set out in Table 4 of the report. The availability of third party contributions and grants to fund capital investment was continuously sought in order to reduce pressure on the Council's available capital receipts and to allow for further investment.

RESOLVED:

- (1) That expenditure of £5.686million in 2016/17 on the Capital Programme (Paragraph 8.2 refers), and in particular the changes detailed in Table 3 which resulted in a net decrease on the working estimate of £0.190million, be noted;
- (2) That the changes to the Capital Programme for 2017/18 and onwards as a result of the revised timetable of schemes detailed in Table 2, increasing the estimated spend in 2017/18 by £3.354million and 2019/20 by £0.200million (re-profiled from 2016/17), be approved;
- (3) That 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, be noted; and
- (4) That the application of £2.328million of Capital receipts towards the 2016/17 Capital Programme, and the drawdown of £2.185million from set aside receipts, as referred to in Paragraph 8.6 of the report, be approved.

REASON FOR DECISION: To approve revisions to the Capital Programme; and to ensure that the Capital Programme is fully funded.

11 CORPORATE OBJECTIVES FOR 2018-2023

The Executive Member for Policy, Transport and Green Issues presented a report of the Strategic Director of Finance, Policy and Governance in respect of Corporate Objectives for 2018-2023.

The Executive Member for Policy, Transport and Green Issues advised that it was proposed that the Corporate Objectives for 2018-2023 were unchanged from previous years. The option to change the Objectives from those used for the 2016/17 and 2017/18 Corporate Business Planning process was considered, but discounted, since the aspects which informed their original adoption in 2015 remained valid for the foreseeable future.

The Executive Member for Policy, Transport and Green Issues commented that, in determining its Objectives, the Council needed to reflect any recent changes in:

- Legislation, which may require changes to existing services, or delivery of new services;
- Capacity, since the authority had reduced headcount over recent years;
- Financial Constraints – work on future funding of Local Authority services through 100% retention of Business Rates had been halted as a result of the General Election and it was unclear when and if it would restart. This would add greater uncertainty into financial forecasting; and
- Population – the need to plan for an ageing population which required health, social care and Council service providers to consider how necessary support could be provided together.

The Executive Member for Policy, Transport and Green Issues stated that a further issue that he would wish to add to the above list would be the impact of the new Government's delayed Queen's Speech.

RECOMMENDED TO COUNCIL: That the following Corporate Objectives be continued for 2018 to 2023:

1. To work with our partners to provide an attractive and safe environment for our residents, where diversity is welcomed and the disadvantaged are supported;
2. To promote sustainable growth within our district to ensure economic and social opportunities exist for our communities, whilst remaining mindful of our cultural and physical heritage; and
3. To ensure that the Council delivers cost effective and necessary services to our residents that are responsive to developing need and financial constraints.

REASON FOR DECISION: To allow Cabinet and Council to review the Corporate Objectives which will guide the Corporate Business Planning process for 2018/19 through to 2023.

12 FUTURE SUPPORT AND FUNDING ARRANGEMENTS RE: CO-ORDINATION OF TOWN CENTRE INITIATIVES AND COMMUNITY EVENTS WITHIN BALDOCK

The Executive Member for Community Engagement and Rural Affairs presented a report of the Strategic Director of Finance, Policy and Governance in respect of the future support and funding arrangements regarding the co-ordination of Town Centre initiatives and community events within Baldock. The following appendices were submitted with the report:

Appendix A – Phased funding reductions to Town Centre Partnerships – March 2011; and
Appendix B – Business Plan: Baldock Community Forum CIC – May 2017.

The Executive Member for Community Engagement and Rural Affairs advised that the Council had, since 2007, financially supported Town Centre Partnerships by way of annual grants. The intention had been to support the Partnerships to become established, with a long term view to them becoming self-financing.

The Executive Member for Community Engagement and Rural Affairs explained that unfortunately the Baldock Town Partnership had failed to comply with the agreed terms for use of the Council's grant

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monies. Accordingly, the Council's Section 151 Officer (the Strategic Director of Finance, Policy and Governance) withdrew the Partnership's grant funding in 2015/16, and subsequently no funding was put forward in 2017/18.

The Executive Member for Community Engagement and Rural Affairs stated that a new organisation had come into being in January 2017, namely the Baldock Community Forum Community Interest Company (CIC). This organisation had requested to take on the unreleased accumulated support funding of £27,310 previously assigned to the Baldock Town Partnership through to March 2020.

The Executive Member for Community Engagement and Rural Affairs commented that one of the principals of the Baldock Community Forum CIC was a North Hertfordshire District Councillor. Legal advice had been sought on this matter, and it had been made clear to the councillor that any reimbursement of his personal deposit of £2,000 used to help the new organisation with start up costs should not be made from the Council's grant monies.

The Executive Member for Community Engagement and Rural Affairs hoped that the Council's Communities Team would monitor the new organisation closely to ensure that it operated in accordance with the agreed terms for use of the Council's grant monies.

In response to a Member's question regarding the Baldock Town Partnership, the Strategic Director of Finance, Policy and Governance advised that the Shared Anti-Fraud Service (SAFS) had investigated the matter, but had found no evidence that could be taken forward to prosecution. The Council had withdrawn its funding for the Partnership as soon as it became aware that the Partnership was not submitting any accounts to substantiate its use of the funds received.

RESOLVED:

- (1) That the funding previously allocated to Baldock Town Partnership be withdrawn, as they have failed to provide appropriate accounts and information requested to support on-going provision of public money;
- (2) That funding be provided to the newly formed Baldock Community Forum CIC on a contractual basis to assist the revival, co-ordination and delivery of future town centre initiatives within the Baldock and District area;
- (3) That it be noted that the Chairman of the newly formed BCF is currently a serving Councillor, and that his action in making a personal deposit of £2,000 to help with start-up costs results in a Disclosable Pecuniary Interest, in relation to which he has sought appropriate advice from the Monitoring Officer; and
- (4) That funding be provided on the basis that it must all be used to support the community events and should the Chairman of BCF be seeking reimbursement of the personal deposit, it shall not be made from the Council's grant.

REASON FOR DECISION: To ensure that community events & initiatives within Baldock and the surrounding area are maintained and enhanced to help secure and sustain town centre vibrancy and community cohesion.

The meeting closed at 8.27 pm

Chairman at the meeting on
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