



Public Document Pack

Jeff Hughes
*Head of Democratic and Legal
Support Services*

MEETING : EXECUTIVE
VENUE : COUNCIL CHAMBER, WALLFIELDS, HERTFORD
DATE : TUESDAY 6 DECEMBER 2011
TIME : 7.00 PM

MEMBERS OF THE EXECUTIVE

Councillor Tony Jackson	- Leader of the Council
Councillor Malcolm Alexander	- Deputy Leader and Executive Member for Community Safety and Environment
Councillor Mike Carver	- Executive Member for Planning Policy and Economic Development
Councillor Linda Haysey	- Executive Member for Health, Housing and Community Support
Councillor Michael Tindale	- Executive Member for Finance

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PERSONAL AND PREJUDICIAL INTERESTS

1. A Member with a personal interest in any business of the Council who attends a meeting of the Authority at which the business is considered must, with certain specified exemptions (see section 5 below), disclose to that meeting the existence and nature of that interest prior to the commencement of it being considered or when the interest becomes apparent.
2. Members should decide whether or not they have a personal interest in any matter under discussion at a meeting. If a Member decides they have a personal interest then they must also consider whether that personal interest is also prejudicial.
3. A personal interest is either an interest, as prescribed, that you must register under relevant regulations or it is an interest that is not registrable but where the well-being or financial position of you, members of your family, or people with whom you have a close association, is likely to be affected by the business of the Council more than it would affect the majority of inhabitants of the ward(s) affected by the decision.
4. Members with personal interests, having declared the nature of that personal interest, can remain in the meeting, speak and vote on the matter unless the personal interest is also a prejudicial interest.
5. An exemption to declaring a personal interest applies when the interest arises solely from a Member's membership of or position of general control or management on:
 - any other body to which they have been appointed or nominated by the authority
 - any other body exercising functions of a public nature (e.g another local authority)

In these exceptional cases, provided a Member does not have a prejudicial interest, they only need to declare their interest if they speak. If a Member does not want to speak to the meeting, they may still vote on the matter without making a declaration.

6. A personal interest will also be a prejudicial interest in a matter if all of the following conditions are met:
 - the matter does not fall within one of the exempt categories of decisions
 - the matter affects your financial interests or relates to a licensing or regulatory matter
 - a member of the public, who knows the relevant facts, would reasonably think your personal interest is so significant that it is likely to prejudice your judgement of the public interest.

7. Exempt categories of decisions are:
 - setting council tax
 - any ceremonial honour given to Members
 - an allowance, payment or indemnity for Members
 - statutory sick pay
 - school meals or school transport and travelling expenses: if you are a parent or guardian of a child in full-time education or you are a parent governor, unless it relates particularly to the school your child attends
 - housing; if you hold a tenancy or lease with the Council, as long as the matter does not relate to your particular tenancy or lease.

8. If you have a prejudicial interest in a matter being discussed at a meeting, you must declare that interest and its nature as soon as the interest becomes apparent to you.

9. If you have declared a personal and prejudicial interest, you must leave the room, unless members of the public are allowed to make representations, give evidence or answer questions about the matter, by statutory right or otherwise. If that is the case, you can also attend the meeting for that purpose. However, you must immediately leave the room once you have finished or when the meeting decides that you have finished (if that is earlier). You cannot remain in the public gallery to observe proceedings.

AGENDA

1. Apologies

To receive apologies for absence.

2. Minutes (Pages 7 - 10)

To approve the Minutes of the meeting held on 8 November 2011.

3. Leader's Announcements

4. Declarations of Interest

To receive any Member(s) declaration(s) of interest.

5. Issues Arising from Scrutiny

To follow (if any issues raised)

6. Flyposting Powers for Town Councils (Pages 11 - 16)

7. Replacement Gym Equipment at Fanshawe and Leventhorpe pools (Pages 17 - 26)

8. Review of Discretionary Rate Relief (Pages 27 - 36)

9. Local Development Framework Executive Panel - Minutes of the Meeting held on 24 November 2011

To receive a report from the Panel (to follow) and to consider recommendations on the following:

(A) Strategic Land Availability Assessment (SLAA) Next Steps

(B) Hertfordshire Strategic Employment Sites Study (April 2011)

(C) Local Development Framework - Evidence Base - Technical studies
2010/11 and 2011/12

(D) Annual Monitoring Report 2010/11

(E) Interim Planning Guidance Note (November 2011)

10. Monthly Corporate Healthcheck - October 2011

To follow

11. Urgent Business

To consider such other business as, in the opinion of the Chairman of the meeting, is of sufficient urgency to warrant consideration and is not likely to involve the disclosure of exempt information.

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MINUTES OF A MEETING OF THE
EXECUTIVE HELD IN THE COUNCIL
CHAMBER, WALLFIELDS, HERTFORD ON
TUESDAY 8 NOVEMBER 2011, AT 7.00 PM

PRESENT: Councillor A Jackson (Chairman/Leader)
Councillors M Alexander, M Carver and
L Haysey

ALSO PRESENT:

Councillors S Bull, Mrs R Cheswright,
M McMullen, P Moore, M Newman, T Page,
N Poulton, C Rowley, P Ruffles and
S Rutland-Barsby

OFFICERS IN ATTENDANCE:

Simon Drinkwater	- Director of Neighbourhood Services
Martin Ibrahim	- Senior Democratic Services Officer
Alan Madin	- Director of Internal Services
George A Robertson	- Director of Customer and Community Services

398 APOLOGIES

An apology for absence was submitted on behalf of Councillor M Tindale.

399 MINUTES

RESOLVED – that the Minutes of the Executive meeting held on 11 October 2011, be approved and signed by the Leader as a correct record.

400 ISSUES ARISING FROM SCRUTINY

The Executive received a report detailing those issues referred to it by the Scrutiny Committees. Issues relating to specific reports for the Executive were considered and detailed at the relevant report of the Executive Member.

RESOLVED – that the report be received.

401 SHARED SUPPORT SERVICES STRATEGIC BUSINESS CASE

The Executive considered proposals to develop a detailed business case for sharing support services (ICT, HR and Payroll, Facilities Management, Print, Estates Management) with North Hertfordshire and Stevenage Councils.

The Leader referred to the comments of the Corporate Business Scrutiny Committee and the need for scrutiny of the business cases to be developed before any were finalised. The Executive accepted this on the basis that scrutiny of proposed business cases would be undertaken and not the detailed partnership agreements between the Authorities.

In response to Members' questions, the Director of Internal Services outlined the agreed approach towards apportioning identified savings and costs between the three Authorities. It was noted that further detail would emerge once the business case for each support service was developed.

The Executive approved the recommendations as now detailed.

RESOLVED – that (A) the Council develop a detailed business case for sharing ICT, Human Resources, Payroll, Facilities Management and Print services with North Hertfordshire District Council and Stevenage Borough Council;

(B) the Council develop a detailed business case for

Estate Management services with North Hertfordshire District Council;

(C) the Council fund one third of the cost of developing the detailed business case, estimated as £80,000, i.e. £26,666 per Authority, to be funded by virements from under spending within the 2011/12 revenue budget or from the earmarked Service Improvement Reserve, as determined by the Director of Internal Services when finalising the 2011/12 accounts; and

(D) Scrutiny Committees scrutinise Shared Services business cases for appropriate services before they are finalised.

402 MONTHLY CORPORATE HEALTHCHECK - SEPTEMBER 2011

The Leader submitted an exception report on the finance, performance and risk monitoring for September 2011.

The Executive noted with disappointment the delay to the Castle Weir Hydro Scheme. The Environment Agency's advice was that the scheme should not be implemented until a time of low water levels, which would next be in the summer of 2012. The Executive Member for Community Safety and Environment advised that a review of the business case had been undertaken and would be reported back to the Executive.

The Executive approved the recommendations as now detailed.

RESOLVED – that (A) the budgetary variances set out in paragraph 2.1 of the report be noted;

(B) The Bourne, Ware Play Area Development Programme capital budget of £40k be re-profiled from 2011/12 into 2012/13, as detailed at paragraph 2.26 of the report submitted;

(C) the Castle Weir Micro Hydro scheme capital budget of £165k be re-profiled from 2011/12 into 2012/13, as detailed at paragraph 2.27 of the report submitted; and

(D) the action taken to mitigate and control strategic risks during the period July to September 2011, as detailed at paragraph 2.28 of the report submitted be noted.

The meeting closed at 7.32 pm

Chairman
Date

EAST HERTS COUNCIL

EXECUTIVE - 6 DECEMBER 2011

REPORT BY EXECUTIVE MEMBER FOR COMMUNITY SAFETY AND ENVIRONMENT

FLYPOSTING POWERS FOR TOWN COUNCILS

WARD(S) AFFECTED: Bishop's Stortford, Buntingford, Hertford,
Sawbridgeworth and Ware wards

Purpose/Summary of Report

- To enable the Executive to consider the issues involved with enabling the Town Councils in the district to take up fly-posting removal powers.

<u>RECOMMENDATION FOR EXECUTIVE:</u> that	
(A)	the Director of Neighbourhood Services be delegated authority to pursue an agreement, the purpose of which will be to enable Town Councils to take up fly-posting removal powers, generally in accordance with the suggestions set out in this report and in consultation with the portfolio holder for Community Safety and Environment.

1.0 Background

1.1 Executive members will recall that this matter was considered at the 6 September 2011 meeting of the Executive. Subsequent discussions with the Town Councils have indicated that the approach followed (namely sole responsibility by the Town Council) was not preferred. This report advocates a shared responsibility approach.

1.2 Whilst there is no universally agreed definition of fly-posting, it is generally understood as any adverts which are displayed without the necessary consent under the Town and County Planning Acts. Its usual manifestation is in signs, banners, adverts which appear

for a temporary period, often affixed to highway furniture, roadside fences etc and which advertise local events. It is generally held that such adverts, and certainly a proliferation of them, are unsightly and have a harmful impact on amenity.

- 1.3 The Council has powers to control fly-posting, principally under s224 and 225 of the Town and Country Planning Act 1990. These powers enable the removal of unauthorised adverts and the prosecution of those which have undertaken the advertising.
- 1.4 The extent to which the powers are exercised is dealt with through management decisions. These take into account the degree to which it is considered that fly-posting is currently a problem reflected in part by issues which are raised with officers by local residents and Town and Parish councils. Prosecutions are generally rare, as they are time consuming and resource intensive. Removal takes place on a regular basis.
- 1.5 Because the purpose of fly-posting is to maximise publicity for a particular event, etc, it tends to be located in the urban areas. Problems are also experienced however alongside main transport routes and at major junctions, which can be in the rural areas. Villages tend not to experience the problem to any great extent, but it does occur.

2.0 Report

- 2.1 The Town Councils in the district have expressed a desire to assist with the implementation of the powers available in respect of fly-posting removal. It is not anticipated that it is necessary for Parish Councils to become involved in this work and regardless of any decision in relation to the towns, the District will continue to provide the service in all areas outside the towns. If the trial is successful in the Towns, the Council will consider extending the scheme to Parish Councils. If Town Councils do wish to take up these powers, there will be resource implications for them. However, it is not mandatory for them to take up the powers and the District Council will continue to provide the service if they do not wish to do so.
- 2.2 There are a number of implications to be considered in determining whether to enable the Town Councils to take on these powers. They are set out in the next few paragraphs with a way forward suggested.

- 2.3 **Responsibility:** Officers are of the view that it is generally clearer for the public when one tier of local government undertakes a function. However, in this case, the Town Councils are keen to operate on the basis that their input would support the service provided by the District Council. It is therefore suggested that an agreement be formulated that enables Town Councils to take on this function, on behalf of the District, but that the District will still undertake it also. A review period will be built in to any agreement such that the approach can be amended if it is proving impractical.
- 2.4 **Approach:** Whilst adverts displayed for the purpose of local community events, arts, culture and for charitable organisations are generally supported by the local community, they have the same potential to create visual amenity problems as any unauthorised advert. Council officers have endeavoured to pursue the same approach to the removal of all adverts.
- 2.5 Town Councils are often involved with the undertaking of local community events and reasonably would generally support them. They may find themselves in a position of some conflict where they would be less inclined to undertake removal of adverts for a local event that is well regarded and certainly where one is supported by it. It is suggested that, for powers to be shared with it, the interested Town Council should be required to set out the approach it would take to the matter. This should include details of the service that the Town Council will provide to the public – receiving complaints with regard to fly-posting etc. They can be advised and guided by Council officers in this.
- 2.6 **Legitimacy:** It is clear in most cases when adverts displayed are without the benefit of consent – therefore unauthorised. Clearly the removal of an authorised advert would be inappropriate. It is suggested that Town Councils be required to approach the District Council where there is any doubt with regard to the legitimacy of adverts, prior to any action being undertaken.
- 2.7 In any further details that are provided, if this matter is supported in principle, it will be set out that Town Councils should only take action in relation to adverts which can be readily removed. ‘Pasted on’ adverts should generally not be tackled because of the difficulty of removal, because of the residue which can remain after removal (which still has an amenity impact) and because of the greater possibility of damage to the structure to which it was affixed.

- 2.8 **Storage and Return:** Removal of unauthorised adverts cannot be undertaken in isolation. The legislation requires that removed adverts, which remain the private property of the advertiser, should be retained and, where possible, be returned if the party which displayed them can be identified or comes forward to claim them. Town Councils will therefore need to undertake to store and return adverts which they have removed. It is suggested that a requirement to do this is contained in any agreement transferring these powers.
- 2.9 **Dispute resolution:** Clearly fly-posting removal is an area where there is significant room for disagreement. Local residents may feel aggrieved at the amenity impact of unauthorised displays and there are often strong views associated with their removal. These can be both in favour and against. Those who displayed adverts, often in ignorance of the relevant legislation, will express strong views, particularly if removal is perceived to have impacted on the success of the event to which they relate.
- 2.10 It would be necessary for Town Councils to ensure they are both willing to take on the responsibility for dealing with such disputes and have appropriate mechanisms in place to do so. It is suggested that any agreement transferring powers sets out the necessary requirements.
- 2.11 So that the Town Councils have a full and clear understanding of the above and other related matters, it is suggested that a training event is offered, and should be taken up by any Town Council, before powers are transferred to it.
- 2.12 Lastly, whilst this is primarily a matter for any Town Council which takes on these powers, safe working practices must be implemented. Fly-posting is usually displayed on the highway and attached to highway furniture. They can be at height. Traffic speeds, crossing roads and road margin areas all present hazards. Town Councils which undertake these powers must ensure they have adequate insurance, safe working practices in place and procedures which ensure there is no damage to the structure from which the advert is being removed..

3.0 Conclusion

- 3.1 A model agreement is not attached to this report. However, authority is sought for such an agreement, which enables Town

Councils to exercise these powers, in support to the District, to be formulated by officers in consultation with portfolio holder for Community Safety and Environment. Once formulated officers will consult Town Councils on the documentation and where there is an expression of interest in taking up the powers, offer training.

4.0 Implications/Consultations

4.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

Background Papers

None

Contact Member: Councillor M Alexander, Executive Member for Community Safety and Environment

Contact Officer: Kevin Steptoe – Head of Planning and Building Control – ext 1407

Report Author: Kevin Steptoe – Head of Planning and Building Control

ESSENTIAL REFERENCE PAPER 'A'

<p>Contribution to the Council's Corporate Priorities/ Objectives</p>	<p>Fit for purpose, services fit for you <i>Deliver customer focused services by maintaining and developing a well managed and publicly accountable organisation.</i></p> <p>Pride in East Herts <i>Improving standards of the built neighbourhood and environmental management in our towns and villages.</i></p>
<p>Consultation:</p>	<p>Town Councils</p>
<p>Legal:</p>	<p>An agreement framed in legal terms will be drawn up to ensure that the parties are clearly aware of their responsibilities.</p>
<p>Financial:</p>	<p>There are no extensive financial implications for the Council. Officer time would be expended in drawing up the necessary documentation and offering training.</p> <p>Town Councils would be expected to meet any costs associated with the powers if they exercise the opportunity to take them up.</p>
<p>Human Resource:</p>	<p>None</p>
<p>Risk Management:</p>	<p>There is a risk of inappropriate use of the powers where they are transferred to another party. Monitoring and the ability to retrieve the powers (which would be included within agreements) would ensure that this risk is minimised.</p>

EAST HERTS COUNCIL

EXECUTIVE - 6 DECEMBER 2011

REPORT BY EXECUTIVE MEMBER FOR
HEALTH, HOUSING AND COMMUNITY SUPPORT

REPLACEMENT OF GYM EQUIPMENT AT THE FANSHAWE POOL &
GYM AND LEVENTHORPE POOL & GYM

WARD(S) AFFECTED: All Sawbridgeworth and Ware

Purpose/Summary of Report

- To seek approval for an 'invest to save' capital expenditure of £113,000 bid to fund the replacement of gym equipment at the Fanshawe Gym and Leventhorpe Gym. The capital expenditure bid would create a reduction in the leisure revenue medium term financial plan (MTFP) of £154,700 over the remaining seven years of the leisure contract.

RECOMMENDATION TO COUNCIL: that:	
(A)	a £113,000 Capital Expenditure bid to fund the replacement of gym equipment at the Fanshawe Pool & Gym and Leventhorpe Pool & Gym on an 'invest to save' basis, be approved, £84,000 to be spent at Fanshawe Pool & Gym in the current year 2011/12 and £29,000 at Leventhorpe Pool & Gym in 2012/13; and
RECOMMENDATION FOR EXECUTIVE:	
(B)	a waiver of the EHC Procurement Regulations [in accordance with PR 12.1] be approved, to allow SLM Ltd, the Council's contracted leisure management contractor, to purchase gym equipment and associated packages on the Council's behalf to secure better value for money than the normal purchasing process.

1.0 Background

1.1 Both Fanshawe Pool & Gym and Leventhorpe Pool & Gym are

joint provision facilities that were originally owned by Herts County Council. Both facilities have been transferred recently to the schools as part of Academy status settlement. Both facilities are managed by SLM Ltd under contract as the council's leisure provider.

- 1.2 Originally, the funding for the replacement of the gym/fitness equipment for both the facilities was included in SLM Ltd's Fee Schedule within the Leisure Management Contract.
- 1.3 SLM Ltd's business model, upon which their contract bid was based, included a sum of money for the cost of the replacement gym equipment and a value of depreciation spread over the last six years of the contract at the two sites, 2012/13 to 2017/18, £52,395, for Fanshawe and £27,552, for Leventhorpe.
- 1.4 If the council were to fund the equipment replacement up to the value of £113,000, then the leisure revenue MTFP has the opportunity to show an engineered reduction in the contract payment of £22,100 annually, against the agreed contract fee to SLM from January 2012, generating a gross revenue saving of £154,700 over the remaining seven years of the contract.
- 2.0 Report
- 2.1 The purchase of the required gym equipment will be in the region of £113,000 split between the two sites, which is below European Union purchasing thresholds for tendering purposes but above £50,000 set in the council's procurement regulations.
- 2.2 Replacement gym equipment at Fanshawe cost; £84,000 from December 2011, but there is a potential trade in value of around £16,500 for the existing gym equipment at Fanshawe Pool & Gym.
- 2.3 Replacement gym equipment at Leventhorpe cost; £29,000 to be completed at an agreed date, with SLM Ltd, between April 2012 and March 2013, with a smaller potential trade in for the existing gym equipment.
- 2.4 SLM Ltd will source and purchase gym equipment, all associated Network packages, the Wellness System, education packages, relevant Services – Wellness System Service contracts, delivery and installation, warranties and appropriate marketing packages from TechnogymUK Ltd and invoice EHC the actual cost incurred

as described in the approved Technogym Proposal for each site, passing ownership of the goods to the council.

- 2.5 A waiver of the council's Procurement Regulations [in accordance with PR 12.1] will allow SLM Ltd to purchase gym equipment and associated packages, as described in 2.4, on the council's behalf and will secure better value for money than the normal purchasing process.
- 2.6 Allowing SLM Ltd to purchase the packages directly from TechnogymUK Ltd will enable the council to obtain a saving of around 10% (£11,000) off the cost of the packages if the council was to deal directly with TechnogymUK Ltd through the Eastern Shires Purchasing Organisation (ESPO) contract 345 agreement.
- 2.7 SLM Ltd will purchase all subsequent warranties for the equipment over the remainder of the contract period, after the initial two-year warranty has expired, at no additional cost to the council.
- 3.0 Implications/Consultations
- 3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

Background Papers

Gym equipment replacement, Fanshawe & Leventhorpe Project Initiation Document

Technogym Proposal for: Fanshawe Pool & Gym, Ref# 02640275/0000440497

Technogym Proposal for: Leventhorpe Pool & Gym, Ref# 03090396/0000484151

Technogym Trade In of Technogym equipment

Technogym ESPO 345: Fanshawe & Leventhorpe price list

Contact Member: Councillor Linda Haysey Executive Member for Health, Housing and Community Support

Contact Officer: Will O'Neill – Head of customer & community services – Ext 1594

Report Author: Mark Kingsland – Leisure Services Manager

ESSENTIAL REFERENCE PAPER 'A'

<p>Contribution to the Council's Corporate Priorities/ Objectives <i>(delete as appropriate):</i></p>	<p>Promoting prosperity and well-being; providing access and opportunities <i>Enhance the quality of life, health and wellbeing of individuals, families and communities, particularly those who are vulnerable.</i></p> <p>Fit for purpose, services fit for you <i>Deliver customer focused services by maintaining and developing a well-managed and publicly accountable organisation.</i></p> <p>Pride in East Herts <i>Improving standards of the built neighbourhood and environmental management in our towns and villages.</i></p> <p>Leading the way, working together <i>Deliver responsible community leadership that engages with our partners and the public.</i></p>
<p>Consultation:</p>	<p>The Executive Portfolio Holder has been consulted on this project. The Director of Customer and Community Services and Director of Internal Services have been consulted on this project. The Procurement Officer has been consulted on this project.</p>
<p>Legal:</p>	<p>Legal issues have been addressed in the report..</p>
<p>Financial:</p>	<p>£113,000 Capital required to suitable equipment, potential to recoup around £16,500 through the trade in of the existing gym equipment at Fanshawe Pool & Gym and a smaller amount in 2012/13 for Leventhorpe Pool & Gym equipment.</p> <p>A supplementary estimate for a spend of £84,000 will be included in the current year, 2011/12, and the 2012/13 programme to will include an item of £29,000 for the subsequent equipment purchase.</p> <p>There is a potential for additional revenue to be generated at both centres through a mixture of publicity, aesthetic appeal of the new equipment improving the appearance of the gyms in general and the improvement of service offered to new and existing users.</p> <p>A £22,100 annual reduction in contract payments against the agreed contract fee to SLM Ltd from January 2012, generating gross revenue savings of £154,700 over the remaining seven years of the contract.</p>
<p>Human Resource:</p>	<p>None.</p>
<p>Risk Management:</p>	<p>Risk Management issues have been addressed in the report.</p>

**Gym equipment replacement, Fanshawe & Leventhorpe
Project Initiation Document**

Project Champion: Head of Customer and Community Services

Version: 4

Date: 23rd September 2011

**Gym equipment
replacement,
Fanshawe &
Leventhorpe (PID)**

East Herts District Council
Council Offices, The Causeway
Bishop's Stortford
Hertfordshire

Tel: 01279 501508
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Gym equipment replacement, Fanshawe & Leventhorpe Project Initiation Document

1. Document Control

Document

Client	Capital Strategy Group
Project	Gym equipment replacement, Fanshawe & Leventhorpe
Document	Project Initiation Document
Author	Mark Kingsland
Published Date	23.9.2011
Version	4

Change History

This document is to be submitted to the project team for approval and signoff. Thereafter amendments are to be approved by the appropriate Change Control processes.

Issue	Date of Issue	Comments / Reason for change
1.00	20.7.2011	Initial Draft
2.00	1.8.11	1 st revision, responded to GAR comments
3.00	3.8.11	2 nd revision, revised value of capital requested, updated timescale.
4.00	23.9.11	3 rd revision, CapEx details revised after discussions with SLM

Distribution

Name	Position	Organisation
Will O'Neill	Head of Customer and Community Services	East Herts Council
Alan Madin	Director of Internal Services	East Herts Council
George Robertson	Director of Customer and Community Services	East Herts Council

Abbreviations

Corporate Management Team – CMT Sport & Leisure Management Ltd - SLM

Gym equipment replacement, Fanshawe & Leventhorpe Project Initiation Document

2. Introduction

Both Fanshawe Pool & Gym and Leventhorpe Pool & Gym are joint provision sites, facilities owned by Herts County Council and managed by SLM as East Herts Council's leisure provider.

Originally, the funding for the replacement of the gym/fitness equipment for both the facilities was included in SLM's Fee Schedule within the Leisure Management Contract. Their business model upon which their bid was based included £27,552, plus depreciation for Leventhorpe and £52,395, plus depreciation, for Fanshawe, spread over the final six years of the contract period.

If the Council is able to fund equipment replacement up to the value of £113,000 the leisure revenue medium term financial plan (MTFP) has the opportunity to show an engineered reduction in the contract payment of £22,100 annually, against the agreed contract fee to SLM from January 2012, generating a gross revenue saving of £154,700 over the remaining seven years of the contract.

The purchase of the required gym equipment will be in the region of £113,000 split between the two sites. Replacement gym equipment at Fanshawe cost; £84,000 from January 2012 and replacement gym equipment at Leventhorpe cost; £29,000 at an agreed date between April 2012 and March 2013.

There is also a trade in value of around £16,500.00 for the existing gym equipment at Fanshawe Pool & Gym.

3. Objective

£22,100 annual reduction in contract payments against agreed contract fee to SLM from January 2012, generating a gross revenue saving of £154,700 over the remaining seven years of the contract.

To replace aged gym equipment at Fanshawe Pool and Gym in January 2012 and Leventhorpe Pool and Gym at an agreed date between April 2012 and March 2013.

To allow these facilities to compete, to maintain and develop the service offered to users from the surrounding areas and to encourage residents to lead a healthy lifestyle.

4. Scope

Inclusions –

- Specification for new equipment
- Purchase of new equipment, including warranties' etc.
- Removal of the old gym equipment
- Delivery of the new equipment
- Installation and commissioning of the new equipment

Gym equipment replacement, Fanshawe & Leventhorpe Project Initiation Document

5. Description of Work

Inputs/Outputs

Client side time resource
Equipment Specification
Tendering process
Quotation analysis
Coordination of delivery and gym closure to minimise disruption.

Deliverables

Appropriate affordable equipment at both sites

Interfaces

Project Manager/Agent

Dependencies

Confirmation of timetable
Confirmation of appropriate funding
Appropriate lead time from order to delivery

6. Roles and Responsibilities

The project team will be led by the Project Manager. The full project team consists of:

Name	Title and Location	Responsibility
Will O'Neill	Head of Customer and Community Services	Project Champion
Mark Kingsland	Leisure Services Manager – East Herts Council	Project Manager, obtain Capital funding.
Mathew Nicholson	Area Contract Manager, Watford & East Herts - Sports & Leisure Management Ltd	Agent; develop gym equipment specification for both sites; source suitable gym equipment & purchase, arrange removal and installation of new equipment.

7. Timescale

Research market August 2011/September 2011
Sign off Project Initiation Document by CMT 15 November 2011
Report to Council / Executive 4 December 2011

Gym equipment replacement, Fanshawe & Leventhorpe Project Initiation Document

Funding approval December 2011
Quotation analysis October 2011
Appoint supplier October 2011
Installation of equipment, Fanshawe, December 2011

8. Conditions/Constraints/Risks

Key factors that will impact on the success of the project are:
Approval of funding
Approval of process of procurement
Lead time between placing of order and delivery of equipment

9. Financial Implications

£113,000 Capital required to undertake purchase of suitable equipment, although there is the potential to recoup around £16,500 through the trade in of the existing gym equipment at Fanshawe Pool & Gym.

It is envisaged that additional revenue will be generated at both centres through a mixture of publicity, aesthetic appeal of the new equipment improving the appearance of the gyms in general and the improvement of service offered to new and existing users.

SLM offer a £22,100 annual reduction in contract payments against the agreed contract fee to SLM from January 2012, generating a gross revenue saving of £154,700 over the remaining seven years of the contract.

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EAST HERTS COUNCIL

CORPORATE BUSINESS SCRUTINY COMMITTEE - 29 NOVEMBER 2011

EXECUTIVE – 6 DECEMBER 2011

REPORT BY THE EXECUTIVE MEMBER FOR FINANCE

REVIEW OF DISCRETIONARY RATE RELIEF

WARD(S) AFFECTED: ALL

Purpose/Summary of Report

- To consider options to reduce by £30k the current budget of £97k for Discretionary Rate Relief (DRR) from 1 April 2012 as proposed in the Medium Term Financial Plan.

<u>RECOMMENDATION FOR THE CORPORATE BUSINESS SCRUTINY COMMITTEE:</u>	
(A)	To recommend to the Executive the preferred options of the Corporate Business Scrutiny Committee to achieve the £30k saving;
<u>RECOMMENDATIONS FOR THE EXECUTIVE:</u>	
(B)	To receive the comments of Corporate Business Scrutiny Committee;
(C)	To recommend to Council the preferred options.

Background

- 1.1 The Council has limited discretion to reduce the business rates payable by some of its tax payers. Discretionary Rate Relief (DRR) covers both Discretionary Charitable Rate Relief and Discretionary Rural Rate Relief.

- 1.2 DRR can be granted either in its own right or as “top up” in addition to Mandatory Rate Relief (both mandatory charitable rate relief and mandatory rural rate relief) where the tax payer is by law entitled to a reduction.
- 1.3 The discretionary relief for all organisations under the current scheme expires in March 2012, and new applications will need to be completed by each organisation.
- 1.4 The current policy is detailed at **Essential Reference Papers B**.
- 1.5 The cost of Discretionary Relief is partly funded by the Council and partly by the Government. The percentages vary depending on the category. Mandatory relief is fully funded by the government.
- 1.6 The cost of the relief to the East Herts Council Taxpayer is approximately £97k as shown in **Essential Reference Papers C**.
- 1.7 Throughout this report figures exclude discretionary relief to the Council’s leisure centres operator SLM in respect of the 6 properties managed by them. That relief is reflected in a reduced management fee paid by the Council. The annual sum is £26K.

Report

- 2.1 The same value for money principles apply to decisions on the budget for discretionary rate relief as to any other budget of the Council.
 - Is the expenditure aligned to achieve the Council’s priorities?
 - Can clear outcomes from the expenditure be identified?
 - In the case of discretionary grants do the benefits to recipients and the wider community outweigh the cost to the council tax payer?
 - Is the Council applying its discretion fairly as regards one organisation against another within the regulatory framework which the Council must respect?

Given that all these taxpayers benefit directly or indirectly from Council services the awarding of 100% relief from rates needs to be considered carefully at a time public finances are coming under great pressure.

- 2.2 The cost of the current scheme at £97k equates to an average contribution from council tax payers of £1.66 at band D and proportionately more for properties in higher council tax bands. There are currently just over 200 organisations receiving discretionary relief ranging from £22 per year to £7,794 per year.
- 2.3 In considering changes to the scheme it is appropriate to review both the total cost and the distribution of the relief across the organisations benefiting or potentially benefiting.
- 2.4 Top up discretionary relief is currently granted at 20% where mandatory relief has been granted on 80%. This means that these organisations do not pay any rates. The report sets out the financial implications of reducing this top –up to 10% in most cases, i.e. to provide 90% relief from the rates.
- 2.5 Discretionary relief (where there is no mandatory relief) is granted at either 75% or 50%. Essential Reference Paper B details which organisations fall into each category. The report sets out the implications of reducing the relief by 10 percentage points, ie to 65% and 40% respectively.
- 2.6 Discretionary Rural rate relief is currently granted at 50% when 50% mandatory relief is awarded, and also at 50% in some cases where mandatory relief is not granted. Essential Reference Paper B details which organisations fall into this category.
- 2.7 The implications of reducing the percentage of relief to existing recipients by 10 percentage points is illustrated **at Essential Reference Paper C** these are based on 2011/12 levels of awards.
- 2.8 The MTFP target is only £30K as against a £40k saving achieved by an across the board reduction of 10 percentage points and **Essential Reference paper C** identifies some other options. The Committee is being asked to indicate for each category of organisation which of options A to E is preferred and which in total will deliver the £30K. For some categories the Committee may wish to recommend no change and the Committee can opt to make savings other than set out in the table.

Background Papers

Local Government Finance Act 1988

Contact Member: Councillor M Tindale, Executive Member for Finance

Contact Officer: Alan Madin, Director of Internal Services, ext 1401

Report Author: Su Tarran, Head of Revenues and Benefits

ESSENTIAL REFERENCE PAPER 'A'

Contribution to the Council's Corporate Priorities/Objectives	Discretionary rate relief supports all priorities by allowing some 200 organisations to put more of their resources in community activities.
Consultation	This report forms part of the consultation process and the public consultation on the budget will include this item.
Legal Implications	The sorts of organisation to which discretionary relief can be given is set out in statute.
Financial Implications	The MTFP for 2012/13 includes a reduction of £30k in the cost of discretionary relief.
Human Resource Implications	There are no human resource implications to be considered
Risk Management Implications	There are no risk management implications to be considered

Essential Reference Paper B		
Category of Relief	Existing Policy to March 2012	Policy for 2012-13 to be determined
[20%] Discretionary Charitable Relief (Top Up) is granted where Mandatory Charitable Relief is applicable <i>and there is a direct benefit to the local community.</i>	<ul style="list-style-type: none"> • Citizens Advice Bureaux • The Samaritans • Aged persons organisations • Disabled persons organisations • Youth associations • Village halls • Museums (regularly open to the public) • Animal Rescue (Animal Welfare) • Herts Aid -(Support for families and people suffering from AIDS) • Home Start -(Support for families with young children) • Isabel Hospice -(Charity gift shops benefiting the seriously ill) • St Elizabeth Home-(Charity gift shops benefiting the disabled) • Victim Support-(Support group for victims of crime) • Leisure services – providing services at Grange Paddocks, Hartham, Fanshaw Pool, Leventhorpe and Ward Freeman Swimming Pool, 	
[50%] Discretionary Rural Relief is granted where Mandatory Rural relief is applicable <i>and there is a direct</i>	<ul style="list-style-type: none"> • Village post offices/stores in a designated rural area with a rateable value up to £8500. 	

<p><i>benefit to the local community.</i></p>	<ul style="list-style-type: none"> • Food shops in a designated rural area with a rateable value up to £8500. • Sole public house or petrol filling station in a designated rural area with a rateable value up to £12500 	
<p>[75%] Discretionary Charitable relief is granted where Mandatory Charitable relief is <i>not applicable and there is a direct benefit to the local community.</i></p>	<ul style="list-style-type: none"> • Aged persons organisations • Disabled persons organisations • Youth organisations • Village halls • Museums (regularly open to the public) • Cultural societies • Sports clubs and sports grounds without a bar 	
<p>[50%] Discretionary Charitable relief is granted where Mandatory Charitable relief is <i>not applicable and there is a direct benefit to the local community.</i></p>	<ul style="list-style-type: none"> • Sports clubs and sports grounds (excluding golf clubs) with a bar • Schools, miscellaneous clubs and other organisations • Village stores in a designated rural area with a rateable value between £8500 and £16500 	

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**ESSENTIAL REFERENCE
PAPER C**

- OPTION A = SAVING ON 5% REDUCTION IN GRANTING TO ALL (EXCLUDING SLM)
 OPTION B = SAVING ON 10% REDUCTION IN GRANTING TO ALL (EXCLUDING SLM)
 OPTION C = SAVING ON 5% REDUCTION IN GRANTING TO ALL (EXCLUDING SLM) & NO TOP UP RELIEF FOR SPORTS CLUBS WITH BARS
 OPTION D = SAVING ON 7.5% REDUCTION IN GRANTING TO ALL (EXCLUDING SLM)
 OPTION E = SAVING ON 5% REDUCTION IN GRANTING TO ALL (EXCLUDING SLM) AND NO TOP UP RELIEF FOR MUSEUMS

SUMMARY OF RELIEFS	NUMBER IN RECEIPT OF RELIEF A	MANDATORY RELIEF - NO COST TO THE COUNCIL B	DISCRETIONARY RELIEF - TOTAL GIVEN C	CURRENT COST TO COUNCIL D	OPTION A	OPTION B	OPTION C	OPTION D	OPTION E		
KEY :											
TOP UP CHARITABLE RELIEF											
YOUTH ORGANISATIONS	40	67,108.68	16,777.17	12,582.88	3,145.72	6,291.44	3,145.72	4,718.58	3,145.72	12,582.88	0.00
AGED PERSONS	4	11,556.20	2,889.05	2,166.79	541.70	1,083.39	541.70	812.55	541.70	2,166.79	- 0.00
VILLAGE HALLS	47	106,055.60	26,513.90	19,885.43	4,971.36	9,942.71	4,971.36	7,457.03	4,971.36	19,885.43	- 0.00
DISABLED PERSONS	9	50,103.92	12,487.36	9,365.52	2,341.38	4,682.76	2,341.38	3,512.07	2,341.38	9,365.52	-
MUSEUMS	6	64,440.24	16,110.06	12,082.55	3,020.64	6,041.27	3,020.64	4,530.95	12,082.55	12,082.55	-
SAMARITANS	1	4,503.20	1,125.80	844.35	211.09	422.18	211.09	316.63	211.09	844.35	0.00
CAB	4	15,830.48	4,866.92	3,650.19	912.55	1,825.10	912.55	1,368.82	912.55	3,650.19	-
EXTRAS - NOT IN A CATEGORY BUT INDIVIDUAL CASES FOR GRANTING	12	56,289.32	14,072.33	10,554.25	2,638.56	5,277.12	2,638.56	3,957.84	2,638.56	10,554.25	-
TOP UP CHARITABLE RELIEF TOTAL	123	375,887.64	94,842.59	71,131.94	17,782.99	35,565.97	17,782.99	26,674.48	26,844.89	71,131.94	-
DISCRETIONARY ONLY											
VILLAGE HALLS/HALLS	5	-	11,423.07	2,855.77	190.38	380.77	190.38	285.58	190.38	2,855.77	-
YOUTH ORGANISATION	1	-	7,794.00	1,948.50	129.90	259.80	129.90	194.85	129.90	1,948.50	-
SPORTS CLUBS WITHOUT BAR	10	-	3,599.36	899.84	59.99	119.98	59.99	89.98	59.99	899.84	-
SPORTS CLUBS WITH BAR	12	-	20,889.48	5,222.37	522.24	1,044.47	5,222.37	783.36	522.24	5,222.37	-
DISABLED	0	-	-	-	-	-	-	-	-	-	-
OTHER	4	-	220.44	55.11	5.51	11.02	5.51	8.27	5.51	55.11	-
DISCRETIONARY ONLY TOTAL	32	-	43,926.35	10,981.59	908.02	1,816.04	5,608.15	1,362.03	908.02	10,981.59	-
RURAL RELIEFS											
PUB	15	23,621.49	23,621.49	5,905.37	590.54	1,181.07	590.54	885.81	590.54	5,905.37	-
POST OFFICE	11	7,891.39	7,891.39	1,972.85	197.28	394.57	197.28	295.93	197.28	1,972.85	-
GENERAL STORE	5	5,737.25	5,737.25	1,434.31	143.43	286.86	143.43	215.15	143.43	1,434.31	-
PETROL FILLING STATION	4	6,368.17	6,368.17	1,592.04	159.20	318.41	159.20	238.81	159.20	1,592.04	-
FOOD SHOP	8	6,863.03	6,863.03	1,715.76	171.58	343.15	171.58	257.36	171.58	1,715.76	-
RURAL RELIEFS TOTAL	43	50,481.33	50,481.33	12,620.33	1,262.03	2,524.07	1,262.03	1,893.05	1,262.03	12,620.33	-
DISC RURAL ONLY											
DISC RURAL ONLY TOTAL	3	7,552.29	7,552.29	1,888.07	188.81	377.61	188.81	283.21	188.81	1,888.07	-
TOTALS	201	433,921.26	196,802.56	96,621.94	20,141.85	40,283.70	24,841.98	30,212.77	29,203.76	96,621.94	-

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