

# Public Document Pack

## EAST HERTFORDSHIRE DISTRICT COUNCIL

NOTICE IS HEREBY GIVEN that a meeting of East Hertfordshire District Council will be held in the Council Chamber, Wallfields, Hertford on Wednesday 18th October, 2017 at 7.00 pm, for the purpose of transacting the business set out in the Agenda below, and you are hereby summoned to attend.

Dated this 6<sup>th</sup> day of October 2017

Alison Stuart  
Head of Legal and  
Democratic Services

*Note: Prayers will be said before the meeting commences. Those Members who do not wish to participate will be invited to enter the Chamber at their conclusion*

### **AGENDA**

1. Chairman's Announcements

*To receive any announcements.*

2. Minutes (Pages 7 - 22)

*To approve as a correct record and authorise the Chairman to sign the Minutes of the Council meeting held on 18 July 2017.*

3. Declarations of Interest

*To receive any Members' declarations of interest.*

4. Petitions

*To receive any petitions.*

5. Public Questions

*To receive any public questions.*

6. Members' questions

*To receive any Members' questions.*

7. Executive Report - 5 September 2017 (Pages 23 - 30)

*To receive a report from the Leader of the Council and to consider recommendations on the matter below:*

(A) Business Rates Revaluation Support Scheme 2017/18 – 2020/21

*Minute 137 refers*

8. Executive Report - 16 October 2017

*To receive a report (to follow) from the Leader of the Council and to consider recommendations on the matter below:*

(A) Bishop's Stortford Neighbourhood Plan for All Saints, Central, South and part of Thorley, 2016-2032

(B) Quarterly Corporate Healthcheck (April - June 2017)

(C) Open Spaces and Sports Facilities Assessment Technical Study (September 2017)

(D) Draft Affordable Housing Supplementary Planning Document (SPD)

(E) Agreement for the Principle of Using the Council's Compulsory Purchase Powers in Respect of Land Required to Support Development of the Gilston Area

(F) Harlow and Gilston Garden Town Update

(G) Local Development Scheme (LDS) September 2017

(H) East Herts Approach to Masterplanning

9. Development Management Committee: Minutes - 24 May, 21 June and 19 July 2017 (Pages 31 - 64)

*Chairman: Councillor T Page*

10. Overview and Scrutiny Committee: Minutes - 13 June 2017 (Pages 65 - 76)

*Chairman: Councillor M Allen*

11. Performance, Audit and Governance Scrutiny Committee: Minutes - 4 July 2017 (Pages 77 - 86)

*Chairman: Councillor M Pope*

12. Human Resources Committee: Minutes - 5 July 2017 (Pages 87 - 96)

*Chairman: Councillor C Woodward*

13. Leisure Strategy: Direction of Travel for Fanshawe and Leventhorpe Pool and Gym (Pages 97 - 122)

*To consider a report of the Executive Member for Health and Wellbeing*

14. Chargeable Green Waste Services

*Report to follow – this item will depend on the outcome of the Executive meeting on 16 October 2017. Members are referred to the Executive agenda for further details.*

15. Property Investment Company Business Plan and Allocation of Capital Resources (Pages 123 - 144)

*To consider a joint report of the Head of Housing and Health and the Head of Strategic Finance and Property Services.*

*Note – Essential Reference Papers 'B' and 'C' are enclosed for Members only as they contain exempt information as defined by paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972*

16. Motions on Notice

*To receive Motions on Notice.*

## **DISCLOSABLE PECUNIARY INTERESTS**

1. A Member, present at a meeting of the Authority, or any committee, sub-committee, joint committee or joint sub-committee of the Authority, with a Disclosable Pecuniary Interest (DPI) in any matter to be considered or being considered at a meeting:
  - must not participate in any discussion of the matter at the meeting;
  - must not participate in any vote taken on the matter at the meeting;
  - must disclose the interest to the meeting, whether registered or not, subject to the provisions of section 32 of the Localism Act 2011;
  - if the interest is not registered and is not the subject of a pending notification, must notify the Monitoring Officer of the interest within 28 days;
  - must leave the room while any discussion or voting takes place.
2. A DPI is an interest of a Member or their partner (which means spouse or civil partner, a person with whom they are living as husband or wife, or a person with whom they are living as if they were civil partners) within the descriptions as defined in the Localism Act 2011.
3. The Authority may grant a Member dispensation, but only in limited circumstances, to enable him/her to participate and vote on a matter in which they have a DPI.
4. It is a criminal offence to:
  - fail to disclose a disclosable pecuniary interest at a meeting if it is not on the register;
  - fail to notify the Monitoring Officer, within 28 days, of a DPI that is not on the register that a Member disclosed to a meeting;
  - participate in any discussion or vote on a matter in which a Member has a DPI;
  - knowingly or recklessly provide information that is false or misleading in notifying the Monitoring Officer of a DPI or in disclosing such interest to a meeting.

(Note: The criminal penalties available to a court are to impose a fine not exceeding level 5 on the standard scale and disqualification from being a councillor for up to 5 years.)

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### **Public Attendance**

East Herts Council welcomes public attendance at its meetings and will provide a reasonable number of agendas for viewing at the meeting. Please note that there is seating for 27 members of the public and space for a further 30 standing in the Council Chamber on a “first come first served” basis. When the Council anticipates a large attendance, an additional 30 members of the public can be accommodated in Room 27 (standing room only), again on a “first come, first served” basis, to view the meeting via webcast.

If you think a meeting you plan to attend could be very busy, you can check if the extra space will be available by emailing [democraticservices@eastherts.gov.uk](mailto:democraticservices@eastherts.gov.uk) or calling the Council on 01279 655261 and asking to speak to Democratic Services.

### **Audio/Visual Recording of meetings**

Everyone is welcome to record meetings of the Council and its Committees using whatever, non-disruptive, methods you think are suitable, which may include social media of any kind, such as tweeting, blogging or Facebook. However, oral reporting or commentary is prohibited. If you have any questions about this please contact Democratic Services (members of the press should contact the Press Office). Please note that the Chairman of the meeting has the discretion to halt any recording for a number of reasons, including disruption caused by the filming or the nature of the business being conducted. Anyone filming a meeting should focus only on those actively participating and be sensitive to the rights of minors, vulnerable adults and those members of the public who have not consented to being filmed.

MINUTES OF A MEETING OF THE  
COUNCIL HELD IN THE COUNCIL  
CHAMBER, WALLFIELDS, HERTFORD ON  
TUESDAY 18 JULY 2017, AT 7.00 PM

PRESENT: Councillor J Jones (Chairman).  
Councillors D Abbott, A Alder, M Allen,  
D Andrews, P Ballam, P Boylan, R Brunton,  
E Buckmaster, S Bull, M Casey,  
Mrs R Cheswright, K Crofton, G Cutting,  
I Devonshire, H Drake, M Freeman,  
J Goodeve, L Haysey, R Henson, G Jones,  
J Kaye, P Kenealy, M McMullen, D Oldridge,  
T Page, M Pope, L Radford, P Ruffles,  
S Rutland-Barsby, C Snowdon, R Standley,  
M Stevenson, T Stowe, N Symonds,  
G Williamson, C Woodward and J Wyllie.

OFFICERS IN ATTENDANCE:

Isabel Brittain	-	Head of Strategic Finance and Property
Jonathan Geall	-	Head of Housing and Health
Martin Ibrahim	-	Democratic Services Team Leader
Jess Khanom	-	Head of Operations
Helen Standen	-	Director
Alison Stuart	-	Head of Legal and Democratic Services
Adele Taylor	-	Director
Ben Wood	-	Head of Communications, Strategy and Policy

106 CHAIRMAN'S ANNOUNCEMENTS

The Chairman welcomed Members, Officers, the press and public to the meeting. Given the presence of children in the chamber, he emphasised that the meeting was being webcast as usual.

The Chairman reminded Members of the sad news relating to former Councillor David Smith, who had recently passed away. David had represented Havers and Thorley ward and then Bishop's Stortford Thorley ward from the District Council's inception in 1973 until 1987. As a mark of respect, everyone stood and observed a moment's silence.

The Chairman referred to the exhibition outside the chamber celebrating 50 years of conservation in East Herts and urged Members to view it if they had not done so already.

The Chairman highlighted some of the events he had attended since the previous meeting, which had included his Civic Service, at which over £300 had been raised for charity. He looked forward to future events, such as his charity golf day at Hanbury Manor, and sought Members' support in its promotion.

107 MINUTES

RESOLVED – that the Minutes of the Annual Council meeting held on 10 May 2017, be approved as a correct record and signed by the Chairman.

108 DECLARATIONS OF INTEREST

In respect of Minute 114 – Leisure Facilities Strategy, Councillor I Devonshire advised Members that his daughter was employed at Fanshawe pool. Whilst this was not a disclosable pecuniary interest, in the interests of transparency, he asked Members to note this.

109 PETITIONS

Petition (A) – Planning Decisions on Ware Road, Hertford

A petition on behalf of the Kingsmead Residents Action Group had been submitted as follows:

*We, the residents of Ware Road, Hertford and all roads in the*



*surrounding area, request that East Herts District Local Planning Authority impose an immediate suspension on all planning decisions that involve residential parking provision, and call on Hertfordshire County Council Highways to complete their comprehensive traffic and parking study as soon as possible – to look in detail at the serious problems we are experiencing in relation to road safety, resulting from congestion, problem parking and speeding vehicles.*

Karen Johns, on behalf of the Kingsmead Residents Action Group, addressed the meeting. She advised that 335 signatures had been collected in support of the petition, which had arisen as a result of the increased parking and traffic problems which had occurred since the Liberty Rise development had been completed. She argued that this development had been permitted without adequate parking provision, which had caused the overspill of parking onto Ware Road. This had resulted in numerous scrapes, near misses and one serious accident. She referred to the impact on safety for cyclists, children and pedestrians in general.

In response, the Executive Member for Development Management and Council Support commented that the Council could not suspend determining planning applications, as it was required to consider these within statutory deadlines. She referred to the applicant's right of appeal if these deadlines were not met and the associated risks for local decision-making.

The Executive Member recognised the concerns raised and stated that the lessons learned will be factored in when considering future applications within existing planning policies and guidelines. In respect of the County Council's study, she advised that Highways Officers were currently agreeing the scope for the study and that the survey would be undertaken in September when the schools had reopened. The results of the study would be received by Christmas 2017, and hopefully, would identify appropriate measures to deal with the problems highlighted.

Councillor J Goodeve, as a local ward member, welcomed the

Executive Member's response and looked forward to receiving the County Council's study.

Petition (B) – Save Leventhorpe Swimming Pool

Elizabeth Hall, a resident of Sawbridgeworth, had submitted a petition as follows:

*We the undersigned petition the Council to continue to support the funding for Leventhorpe swimming pool in Sawbridgeworth. This facility is highly valued asset to the town. EHDC are considering stopping its financial support of the Leventhorpe swimming pool in favour of an improved complex in Bishop's Stortford. However, this would have a detrimental impact upon the community of Sawbridgeworth. Our children would lose access to swimming lessons within our town. Our community would have an increased journey to access leisure facilities which would be detrimental.*

Elizabeth Hall, on behalf of Sawbridgeworth residents, addressed the meeting. She advised that 2094 signatures had been collected in support of what had been a very emotive petition. Local residents were concerned that they might lose a valuable local facility and she had received many calls from concerned residents detailing how the proposal would affect them personally. Elderly residents did not consider it viable to travel to either Bishop's Stortford or Harlow. There was ongoing concern about the dangers of children using the local canal and how a closure might exacerbate this. Parents wanted their children to learn to swim in a safe environment and to avoid any tragedy. She also referred to Leventhorpe pool as a focus for the community and how it had helped her own family circumstances.

In response, the Executive Member for Health and Wellbeing thanked the petitioner for her impassioned statement and congratulated her for the number of signatures collected. He referred to a Member's question and the Leisure Strategy later in the agenda when he would be making a fuller statement. He commented that the Council understood that the proposals

in the Leisure Strategy report were challenging. The Council had considered the views of the public and would look at amending the recommendation in respect of Leventhorpe Pool this evening.

Councillor A Alder, as a local ward member, endorsed the Executive Member's comments relating to the enthusiasm of the petitioners.

#### Petition (C) – Save Fanshawe Pool and Gym

A petition on behalf of Ware Swimming Club had been submitted as follows:

*Fanshawe currently teaches many people in the community to swim, has a popular gym and is home to a swimming club with 170 members. The closure of Fanshawe would be a major blow to our town and we urge the Council to find the funding to keep it open.*

Nicola Rix, the Secretary of Ware Swimming Club, addressed the meeting. She advised that almost 4000 signatures had been collected in support of the petition, which she hoped demonstrated the strength of feeling and the value placed on Fanshawe. She referred to the discussions with the Council in recent days when it had emerged that a revised recommendation would come forward. This was pleasing, but now the residents looked forward to the consultation. She believed that residents needed to see detailed information on the options available, including financial information. Details of the different groups that used the facility were needed as a variety of people, young and old, relied on Fanshawe for the range of activities available.

Nicola Rix also commented that a new commercial agreement could increase the income generated at the facility. She questioned the ability of Hartham to handle the additional volume of people that would be displaced if Fanshawe closed. Finally, she commented on whether the local community could afford to lose such a valuable asset and pleaded for the Council to listen to local residents and to invest in Fanshawe.

In response, the Executive Member for Health and Wellbeing thanked the petitioner for her comprehensive statement. He referred to a Member's question and the Leisure Strategy later in the agenda when he would be making a fuller statement. He commented that the Council understood that the proposals in the Leisure Strategy report were challenging. The Council had considered the views of the public and would look at amending the recommendation in respect of Fanshawe Pool and Gym this evening.

Councillor J Kaye, as a local Ware Member, expressed his hope that a satisfactory solution could be identified.

## 110 MEMBERS' QUESTIONS

### Question 1

Councillor P Ballam referred to the Council's corporate priorities/objectives which included "improve the health and wellbeing of our communities" and "enhance the quality of people's lives". She was surprised, indeed shocked, to learn that the members of the Council's Executive, including Councillor Buckmaster were willing to contemplate the closure of Fanshawe Swimming Pool. Since his appointment as Executive Member for Health and Wellbeing, Councillor Buckmaster had been proactive in all matters relating to the health and physical and mental wellbeing of our residents. We hear of postcode lottery in relation to some services provided by the National Health Service, but this would be postcode lottery on fitness in East Hertfordshire. If you lived in some of our towns you will continue to be encouraged to keep fit in this extremely valuable way. Some people in Ware will be disadvantaged as everyone does not drive, and indeed, we should not be encouraging the greater use of cars. Therefore, she asked him how he could contemplate the closure of this extremely important facility in the town of Ware, a town of over 18,000 inhabitants, surrounded by rivers and other bodies of water.

In response, the Executive Member for Health and Wellbeing

commented that he felt her frustration as the question applied equally to Leventhorpe as well as Fanshawe. He explained the thinking that was involved in the work of Members and Officers throughout this process and the circumstances with which they had been confronted. Firstly, the great news was that the Executive was recommending an expansion of leisure services to the east and west of the District that would sustain them for the next 20 or more years, in the centres which we owned. Previous contract renewals had been more straightforward in enabling the Council to roll on with existing arrangements concerning the joint use pools. However, this time was different, because the facilities were of an age where substantial investment was necessary and so a long term view of our relationships was needed.

The Executive Member reminded Council of the wider financial context and the need to ensure that services remained viable in order to continue to operate them. The centres at Leventhorpe and Chauncy were owned by the schools, and they paid a 40 per cent share of maintaining them from money received from the Education and Skills Funding Agency, which would be available for at least the next two years.

The Council had to consider whether the schools would be able to commit to a long term arrangement that would justify the investment needed for a contract that had to work for 10 or more years. The Executive Member suggested they could not and the District Council was not permitted to fund education. Therefore, it would be important to consider security of tenure so far as the schools' ability and willingness to form a partnership with the Council. He referred to the long term vision needing to address these special circumstances, so that there was appropriate capacity across the District in the centres under Council control.

The Executive Member referred to the report that would be considered later in the meeting, which was not about setting any definite dates for closing any facility, but creating a framework upon which potential leisure providers could respond. The remit of the tender process would include

taking into account current and future needs, as well as in having a more direct involvement in meeting the requirements of the draft Physical Activity Strategy and Health and Wellbeing vision.

The Executive Member emphasised that the Council was willing to work with the schools, swimming clubs and other interested parties for up to 5 years. Depending on the schools' priorities, a range of possible outcomes would be explored including:

- the procurement of another provider;
- the development of a community trust/ body;
- sponsorship from local businesses; and
- an alternative use for the site

Finally, the Executive Member believed that the Council was listening and advised that responses had been given to all those who had made comment or petitioned with their concerns. He would be proposing amendments to the recommendations concerning Fanshawe and Leventhorpe in order to enable a public consultation, with a report back to Council later in the year.

#### 111 EXECUTIVE REPORT - 16 MAY 2017

The Leader referred to recent tragic events that had occurred since the previous meeting in Manchester, Borough Market, Grenfell Tower and Finsbury Park. On behalf of the Council, she expressed deep sorrow for all those affected.

RESOLVED – that the Minutes of the meeting held on 16 May 2017 be received.

(see also Minute 112)

#### 112 BISHOP'S STORTFORD TOWN CENTRE PLANNING FRAMEWORK

The Executive Member for Economic Development advised Members that a steering group, Shaping Stortford, had now

been set up to facilitate projects consistent with the framework. Its membership included business representatives, residents and the three tiers of local government.

RESOLVED – that the Bishop’s Stortford Town Centre Framework (March 2017) be approved for Development Management decisions.

(see also Minute 111)

113 EXECUTIVE REPORT - 27 JUNE 2017

RESOLVED – that the Minutes of the meeting held on 27 June 2017 be received.

(see also Minutes 114 - 116)

114 LEISURE FACILITIES STRATEGY PART 1: PROPOSED FUTURE DIRECTION OF TRAVEL FOR COUNCIL MANAGED LEISURE FACILITIES AND PART 2: PROPOSAL TO DEVELOP LEISURE AND SPORTS PROVISION IN BISHOP'S STORTFORD

The Leader of the Council referred to an error contained in the original report that had been submitted to the Executive in that paragraph 4.9 should have referred to the current leisure contract expiry date as December 2018 and not December 2022. The correct contract date had been reflected in the Minutes of the Executive meeting.

The Executive Member for Health and Wellbeing referred to the recommendations set out in both Parts 1 and 2 of the report and proposed some amendments.

Part 1

In respect of recommendation (E), he proposed an amendment so that it read “public consultation and further investigation of the options for Fanshawe Pool and Gym are carried out and a report is presented in October 2017”.

Councillor D Oldridge seconded this amendment and asked for details of what the consultation would involve.

The Head of Operations advised that Officers would continue to engage with the public and look at all the options available. This would include all the correspondence received to date as well the comments made in the petitions. Discussions with the schools would continue and all market options would be examined.

In respect of recommendation (F), the Executive Member for Health and Wellbeing proposed an amendment so that it read “public consultation and further investigation of the options for Leventhorpe Pool and Gym are carried out and a report is presented in October 2017”. This was seconded by Councillor A Alder.

In respect of recommendation (J), the Executive Member for Health and Wellbeing proposed an amendment so that it read “subject to funding approval, delegated authority to make decisions relating to the leisure development projects is provided to the Executive Member for Health and Wellbeing with the support of a leisure project board. The board will consist of the Executive Members of Health and Wellbeing and Finance and Support Services, the Head of Operations, the Chief Finance Officer, Monitoring Officer and a Director.” Councillor D Oldridge seconded this amendment.

Council approved the recommendations as now amended.

RESOLVED – that (A) the views of the Overview and Scrutiny Committee and the recommendations of the Executive, be noted;

(B) investment and development for Grange Paddocks as reflected in paragraph 4.8 of the report submitted, including costs for the submission of outline planning permission, be approved;

(C) investment and development for Hartham Leisure Centre as reflected in paragraph 4.8 of the



report submitted, including costs of the submission of outline planning permission, be approved;

(D) investment and development for Ward Freman as reflected in paragraph 4.8 of the report submitted, be approved;

(E) public consultation and further investigation of the options for Fanshawe Pool and Gym are carried out and a report is presented in October 2017;

(F) public consultation and further investigation of the options for Leventhorpe Pool and Gym are carried out and a report is presented in October 2017;

(G) the Design, Build, Operate and Maintain model for Grange Paddocks Leisure Centre, be approved;

(H) the Design, Build, Operate and Maintain model for Hartham Leisure Centre, be approved;

(I) the leisure operating contract (with minor works included) model in respect of Ward Freman Centre, be approved; and

(J) subject to funding approval, delegated authority to make decisions relating to the leisure development projects is provided to the Executive Member for Health and Wellbeing with the support of a leisure project board. The board will consist of the Executive Members of Health and Wellbeing and Finance and Support Services, the Head of Operations, the Chief Finance Officer, Monitoring Officer and a Director.

## Part 2

The Executive Member for Health and Wellbeing emphasised the due diligence that would need to be carried out if recommendation (C) was approved.

In respect of recommendation (D), the Executive Member for

Health and Wellbeing proposed an amendment so that it read “subject to funding approval, delegated authority to make decisions relating to the leisure development projects is provided to the Executive Member for Health and Wellbeing with the support of a leisure project board. The board will consist of the Executive Members of Health and Wellbeing and Finance and Support Services, the Head of Operations, the Chief Finance Officer, Monitoring Officer and a Director.” Councillor J Wyllie seconded this amendment.

Council approved the recommendations as now amended.

RESOLVED – that (A) the views of Overview and Scrutiny Committee and the recommendations of the Executive be noted;

(B) £1m allocated from Bishop’s Stortford North section 106 funds, to be forward funded by the Council until such time as the s106 funds are received by the Council, be approved;

(C) an interest-bearing loan to the school to complete the funding requirement for the project as presented, be approved subject to due diligence to be carried out by the Chief Finance Officer and Monitoring Officer, in consultation with the Executive Members for Finance and Support Services and Health and Wellbeing; and

(D) subject to funding approval, delegated authority to make decisions relating to the leisure development projects is provided to the Executive Member for Health and Wellbeing with the support of a leisure project board. The board will consist of the Executive Members of Health and Wellbeing and Finance and Support Services, the Head of Operations, the Chief Finance Officer, Monitoring Officer and a Director.

(see also Minute 113)

115 FURNEUX PELHAM CONSERVATION AREA APPRAISAL

RESOLVED – that (A) the responses to the public consultation be noted and the Officer responses and proposed changes to the Furneux Pelham Conservation Area Character Appraisal and Management Proposals, be supported;

(B) authority be delegated to the Head of Planning and Building Control, in consultation with the Executive Member for Development Management and Council Support, to make any further minor and consequential changes to the document which may be necessary; and

(C) the Furneux Pelham Conservation Area Character Appraisal and Management Proposals be approved for adoption.

(see also Minute 113)

116 COUNCIL TAX SUPPORT SCHEME 2018/19

RESOLVED – that no changes to the scheme design for 2018/19 be made.

(see also Minute 113)

117 ENVIRONMENT SCRUTINY COMMITTEE: MINUTES - 7 MARCH 2017

RESOLVED – that the Minutes of the Environment Scrutiny Committee meeting held on 7 March 2017, be received.

118 HEALTH AND WELLBEING SCRUTINY COMMITTEE: MINUTES - 14 MARCH 2017

RESOLVED – that the Minutes of the Health and Wellbeing Scrutiny Committee meeting held on 14 March 2017, be received.

119 LICENSING COMMITTEE: MINUTES - 16 MARCH 2017

RESOLVED – that the Minutes of the Licensing Committee meeting held on 16 March 2017, be received.

120 AUDIT AND GOVERNANCE COMMITTEE: MINUTES - 22 MARCH 2017

RESOLVED – that the Minutes of the Audit and Governance Committee meeting held on 22 March 2017, be received.

121 COMMUNITY SCRUTINY COMMITTEE: MINUTES - 28 MARCH 2017

RESOLVED – that the Minutes of the Community Scrutiny Committee meeting held on 28 March 2017, be received.

122 HUMAN RESOURCES COMMITTEE: MINUTES - 19 APRIL 2017

RESOLVED – that the Minutes of the Human Resources Committee meeting held on 19 April 2017, be received.

123 DEVELOPMENT MANAGEMENT COMMITTEE: MINUTES - 26 APRIL 2017

RESOLVED – that the Minutes of the Development Management Committee meeting held on 26 April 2017, be received.

124 DEVELOPMENT MANAGEMENT COMMITTEE: MINUTES - 17 MAY 2017

RESOLVED – that the Minutes of the Development Management Committee meeting held on 17 May 2017, be received.

125 PERFORMANCE, AUDIT AND GOVERNANCE SCRUTINY COMMITTEE: MINUTES - 23 MAY 2017

RESOLVED – that the Minutes of the Performance, Audit and Governance Scrutiny Committee meeting held on 23 May 2017, be received.

126 SCRUTINY ANNUAL REPORT 2016-17

Councillor M Allen, on behalf of the 2016/17 Scrutiny Chairmen, presented the Scrutiny Annual report 2016/17.

Council approved the report for publication.

RESOLVED – that the Annual Report on the work of the East Herts Scrutiny Committees during 2016/17 be received and approved for publication.

127 DISCRETIONARY COMMUNITY GRANTS POLICY

Council considered a report proposing changes in the discretionary community grants policy in order to maximise health and wellbeing outcomes for residents in East Herts. The Executive Member for Health and Wellbeing highlighted the key changes and advised that these would simplify the application process. The proposed changes had arisen from a review undertaken by an informal group of Members.

Council approved the recommendations as now detailed.

RESOLVED – that (A) the new grants policy as detailed in Essential Reference Paper 'B' of the report submitted, be approved, including proposals listed in paragraph 2.7 to:

- open the fund up to not-for-profit organisations;
- remove the requirement of match funding for building projects;
- increase the maximum revenue grant from £1,000 to £3,000; and

(B) new priorities and outcomes, as detailed in Appendix 1, Essential Reference Paper ‘B’ of the report submitted, be approved.

128 REVIEW OF THE CONSTITUTION

The Head of Legal and Democratic Services submitted a report updating Members on the progress of the review of the Constitution, which also sought agreement to transitional arrangements for dealing with Standards complaints presented before 1 March 2017.

Council approved the recommendations as now detailed.

RESOLVED – that (A) the report on the review of the Constitution be noted; and

(B) current Members of the Standards Sub Committee remaining in place to deal with any matters presented to them before 1 March 2017, be approved.

The meeting closed at 8.02 pm

Chairman	.....
Date	.....

MINUTES OF A MEETING OF THE  
EXECUTIVE HELD IN THE COUNCIL  
CHAMBER, WALLFIELDS, HERTFORD ON  
TUESDAY 5 SEPTEMBER 2017, AT 7.00  
PM

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PRESENT: Councillor L Haysey (Chairman/Leader)  
Councillors E Buckmaster, G Jones,  
G McAndrew, S Rutland-Barsby and  
G Williamson.

ALSO PRESENT:

Councillors A Alder, M Allen, P Ballam,  
P Boylan, S Bull, M Casey, M Freeman,  
J Goodeve, M McMullen, T Page, M Pope,  
L Radford, P Ruffles and T Stowe.

OFFICERS IN ATTENDANCE:

Sandra Huntingford	- Assistant Revenue Manager
Martin Ibrahim	- Democratic Services Team Leader
Graeme Reid	- Revenues Manager
Helen Standen	- Director
Alison Stuart	- Head of Legal and Democratic Services
Adele Taylor	- Director
Liz Watts	- Chief Executive

137 **BUSINESS RATES REVALUATION SUPPORT SCHEME  
2017/18 – 2020/21**

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**The Executive Member for Finance and Support Services submitted a report seeking approval for the Business Rates Revaluation Support Scheme for 2017/18 - 2020/21.**

**Following the Government's national revaluation on all commercial premises in England and Wales, all such premises in the District had been assigned a new 'rateable value' by the Valuation office agency. With effect from 1 April 2017, many businesses in the District had a higher business rates bill and so the Government had announced £300m of extra funding for local authorities to provide discretionary relief to those businesses facing increases in their business rate bills following the revaluation. The Executive Member proposed a scheme for determining how this extra funding would be allocated.**

**The Executive recommended the proposed scheme as now detailed.**

**RECOMMENDED – that the Business Rates Revaluation Support Scheme as now submitted, be approved.**

138 LEADER'S ANNOUNCEMENTS

The Leader welcomed Members and the public to the meeting and reminded everyone that the meeting was being webcast.

The Leader referred to the recent sad news that Honorary Alderman Clive Hodson-Smith had passed away as a number of Members had attended his funeral earlier in the day. A formal tribute would be paid at the next Council meeting.

She also advised that the running order of the agenda would be amended to accommodate visiting Officers and to allow for the exclusion of the public from Minute 142 – Approval of Property Investment Company Business Plan and Case for Incorporation of the Company, should the need arise.

139 MINUTES

**RESOLVED – that the Minutes of the Executive meeting held on 27 June 2017, be approved as a**



correct record and signed by the Leader.

140 DECLARATIONS OF INTEREST

In respect of Minute 141 – Investing in Culture in Hertford, the Leader advised that she was a Director of the Hertford Arts Hub and would not participate in the Executive’s consideration of this matter. Although not a disclosable pecuniary interest, she would leave the chamber for this item.

141 INVESTING IN CULTURE IN HERTFORD

The Leader of the Council left the chamber for this item and the Deputy Leader assumed the chair.

The Executive Member for Health and Wellbeing submitted a report detailing various schemes that were being considered by both the Council and other partners relating to the cultural offer within Hertford. These fell into three main projects, which if considered individually might not stack up on purely financial terms. However, by wrapping the projects together they could deliver much greater benefits for Hertford and the wider area overall. Given the proximity of the projects to each other there was a potential of establishing a “Cultural Quarter”, an area within the town that could have a positive benefit on each other and beyond.

The Executive Member proposed that the opportunity to invest in two of those projects through the use of New Homes Bonus reserve, be utilised. He detailed the schemes relating to the Arts Hub and Courtyard Arts.

In response to various comments, the Executive noted the development of an over-arching Cultural Strategy for the District.

The Executive approved the proposals now detailed.

RESOLVED - that (A) the use of New Homes Bonus reserve funding to provide seed funding of up to £20k to the Arts Hub to enable more detailed scope and

design work to be undertaken, be approved; and

(B) the use of New Homes Bonus reserve funding to provide a contribution of up to £100k towards the cost of building works to expand Courtyard Arts as per the planning permission already granted, be approved, subject to the rest of the project funding being raised to allow the full project, as outlined, to go ahead.

At the conclusion of the Executive's consideration of this matter, the Leader returned to the chamber and assumed the chair.

142 APPROVAL OF PROPERTY INVESTMENT COMPANY BUSINESS PLAN AND CASE FOR INCORPORATION OF THE COMPANY

The Leader advised that should it be necessary, the press and public could be excluded from the meeting, if Members wished to make any detailed reference to the exempt information in Essential Reference Papers 'B' – 'D'.

The Executive Member for Finance and Support Services submitted a report presenting the strategic and financial business case for establishing a Property Investment Company, wholly owned by East Herts Council, for the purpose of generating revenue and capital income. He reminded the Executive of previous deliberations by Scrutiny and the Executive which had helped refine the proposals and focused on transferring the Council's five residential properties before considering further acquisitions.

The Executive Member also detailed the proposed governance arrangements for the company and asked the Executive to note that a report on the finalised business plan and the allocation of funding would be submitted to Council in due course.

In response to Members' comments and questions, Officers clarified the proposed governance arrangements and the ability to call on external skills when needed. The Council's

Constitution set out the circumstances in which the Leader's responsibilities could be exercised by the Deputy Leader. Officers also advised that the initial structure could be adapted over time as the company developed and emphasised that Council would still have overall control.

The Executive approved the proposals now detailed at recommendations (A) – (M) and supported the recommendations detailed at (N) – (Q) to Council.

RESOLVED - that (A) the strategic and financial business case (presented in paragraphs 1.10 – 1.21 of the report submitted) for the proposed Property Investment Company be approved;

(B) the Memorandum and Articles of Association, appended in draft form to the report submitted, be approved in principle with final approval delegated to the Executive Member for Finance and Support Services acting in consultation with the Head of Housing and Health and Head of Legal and Democratic Services;

(C) the Shareholder Agreement, appended in draft form to the report submitted, be approved in principle with final approval delegated to the Executive Member for Finance and Support Service acting in consultation with the Head of Housing and Health and Head of Legal and Democratic Services;

(D) the Property Investment Company, to be called Millstream Property Investments Limited, be incorporated as a company limited by shares wholly owned by East Herts Council;

(E) authority to complete and submit the necessary documentation for incorporation be delegated to the Head of Legal and Democratic Services;

(F) East Herts Council's full Council assumes the role of Shareholder of the company;

- (G) authority to determine a Shareholder representative to attend general meetings or enter into communication with the company in place of such meetings be delegated to the Leader of East Herts Council;
- (H) a Shareholder Advisory Group of three elected Members of East Herts Council be established with the purpose of advising the Council when exercising its role as Shareholder, with advice provided by senior officers of the Council;
- (I) the identification of members of the Shareholder Advisory Group be delegated to the Leader of East Herts Council;
- (J) the composition of the company's Board of Directors to be, in the first instance, three Core Directors who shall be officers of East Herts Council, with up to an additional three directors appointed at any time in the future as Independent Directors selected for their relevant expertise and experience;
- (K) authority to nominate the Core Directors be delegated to the Leader of East Herts Council acting in consultation with the Chief Executive;
- (L) authority to nominate the Independent Directors be reserved by full Council acting in its role as Shareholder; and
- (M) the key outputs of latest draft initial 30 year business plan, covering the purchase and management of the Council's existing five residential properties, included in Essential Reference Paper 'D' of the report submitted, be noted.
- (N) the initial 30 year business plan be finalised for presentation to full Council in due course in support of the allocation of capital resources;

(O) the Executive recommends to full Council that the Council provides the company with a State Aid compliant loan and equity investment in line with East Herts Council's existing financial policies, subject to Council's approval of the company's 30 year business plan;

(P) the Executive recommends to full Council that the four council-owned properties in Bishop's Stortford known as 1 Old River Lane, 2 Old River Lane, 3 Old River Lane and Castle Bungalow, Castle Gardens and the council-owned property in Hertford known as 6 Water Lane are disposed of to the company, subject to full Council's approval to release capital for equity and loan funding; and

(Q) once the company's initial 30 year business plan has been submitted to and approved by the Council, and subject to full Council's approval of funding, the company may start trading.

143 REQUEST FOR AREA DESIGNATION FOR  
NEIGHBOURHOOD PLANNING: THUNDRIDGE,  
THUNDRIDGE PARISH COUNCIL

The Leader of the Council submitted a report seeking approval for the designation of a neighbourhood area for Thundridge, as detailed on the plan attached to the report submitted.

The Executive considered the application made by Thundridge Parish Council and the consultation undertaken. The report submitted detailed the main areas of consideration in determining the application in accordance with Schedule 9 of the Localism Act 2011.

The Executive approved the recommendations now detailed.

RESOLVED – that the application for the designation of a Thundridge Neighbourhood Area, submitted by

Thundridge Parish Council, be supported.

The meeting closed at 7.34 pm

Chairman	.....
Date	.....

MINUTES OF A MEETING OF THE  
DEVELOPMENT MANAGEMENT  
COMMITTEE HELD IN THE COUNCIL  
CHAMBER, WALLFIELDS, HERTFORD ON  
WEDNESDAY 24 MAY 2017, AT 7.00 PM

PRESENT: Councillor T Page (Chairman)  
Councillors M Allen, D Andrews, R Brunton,  
M Casey, M Freeman, J Goodeve, J Jones,  
D Oldridge, P Ruffles, R Standley and  
K Warnell.

ALSO PRESENT:  
  
Councillors P Ballam, S Bull, P Kenealy and  
S Rutland-Barsby.

OFFICERS IN ATTENDANCE:

Liz Aston	- Development Team Manager (East)
Elaine Bell	- Solicitor
Paul Dean	- Principal Planning Enforcement Officer
Peter Mannings	- Democratic Services Officer
Kevin Steptoe	- Head of Planning and Building Control Services

41 APPOINTMENT OF VICE-CHAIRMAN

It was proposed by Councillor K Warnell and seconded by Councillor J Jones that Councillor M Freeman be appointed Vice-Chairman of the Development Management Committee for the 2017/18 civic year.

After being put to the meeting and a vote taken, Councillor M Freeman was appointed Vice-Chairman of the Development Management Committee for the 2017/18 civic year.

RESOLVED – that Councillor M Freeman be appointed Vice-Chairman of the Development Management Committee for the 2017/18 civic year.

42 APOLOGY

An apology for absence was submitted on behalf of Councillor B Deering. It was noted that Councillor P Ruffles was substituting for Councillor B Deering.

43 MINUTES – 26 APRIL 2017

RESOLVED – that the Minutes of the meeting held on 26 April 2017 be confirmed as a correct record and signed by the Chairman.

44 3/16/2847/FUL – DEMOLITION OF EXISTING ASSEMBLY AND WORSHIP HALL AND ERECTION OF REPLACEMENT ASSEMBLY AND WORSHIP HALL, WITH ENHANCED VEHICULAR ACCESS AND ASSOCIATED PARKING, DRAINAGE, LANDSCAPING AND COMPENSATORY GRASSLAND HABITAT AT THE BUNGALOW, ERMINE STREET, COLLIERS END FOR MR D STAY

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Mr Stacey addressed the Committee in support of the application.

The Head of Planning and Building Control recommended that in respect of application 3/16/2847/FUL, planning permission be refused for the reasons detailed in the report now submitted.

Councillor D Andrews addressed the Committee as the local ward Member. He stated that the proposed development would only be visible from Dowsetts Lane in the winter once leaves had fallen. He referred to the fact that the neighbours and the wider community did not find this application objectionable.



The Head summarised the application and detailed the relevant planning history. He referred to the site being located in a rural area of the District and this did restrict the potential granting of planning permission for buildings and uses which the Councils policies set out were inappropriate in this location. Officers had reached a balanced view on the potential introduction of a building of a significant size into the environment in this location.

The Head referred to the fundamental planning policy matters and concluded that the positive impacts and benefits of the application did not outweigh the harm to the rural area and the application should be refused. Councillor D Oldridge referred to the size of the proposed development and stated that an approval would set a precedent for other developments on this scale.

Councillor D Andrews stated that some of the responses from the statutory consultees were particularly helpful such as that received from the Flood Authority. He commented that the congregation was successful and their needs were substantial. He further commented that this site could be easily accessed from Hertford, Puckeridge, Standon and Ware. He emphasised that Dowsetts Farm was of a similar size but was more obtrusive and less attractive than the proposed scheme.

Councillor P Ruffles stated that he was sympathetic towards granting planning permission. He commented that the local element had been overplayed and he felt that this application fitted in with the local rural environment. He suggested that suitable landscaping conditions could be imposed.

Councillor M Casey commented that the proposal was more than twice the size of the existing meeting hall and he referred to the proposed parking area for 177 cars. He queried the size of the congregation as well as how many of the brethren would travel from outside the local area. Councillor J Goodeve expressed concerns over the sustainability of the location if people were travelling from

as far afield as Broxbourne, Cheshunt and Cuffley. Councillor K Warnell commented that the application would be of little benefit to the local community.

The Head referred to the additional commentary in the late representations. He stated that the policies in the East Herts Local Plan Second Review April 2007 were designed to support different types of development. He stated that in this area policies restricted development to limited small scale facilities for leisure and sports. Members were reminded that each Committee decision had an impact on any future decisions Members had to make on applications in this particular area.

The Head stated that this was an unusual form of development and the benefits had to be weighed against the harm and Officers felt that, in this case, the harm was more significant than the benefits in planning policy terms.

Councillor D Andrews proposed and Councillor R Brunton seconded, a motion that application 3/16/2847/FUL be granted on the basis that, on balance, the merits of the application and the social advantages outweighed the disadvantages and authority be delegated to the Head of Planning and Building Control to formulate an appropriate set of conditions.

After being put to the meeting and a vote taken, this motion was declared CARRIED. The Committee rejected the recommendation of the Head of Planning and Building Control as now submitted.

RESOLVED – that in respect of application 3/16/2847/FUL, planning permission be granted subject to conditions and authority be delegated to the Head of Planning and Building Control to formulate an appropriate set of conditions.

45 3/17/0041/FUL – ERECTION OF TWO NEW AGRICULTURAL BUILDINGS AT TILE KILN FARM, STANDON ROAD, LITTLE HADHAM, SG11 2HP FOR MR R BARCLAY

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The Head of Planning and Building Control recommended that in respect of application 3/17/0041/FUL, planning permission be granted subject to the conditions detailed in the report now submitted.

The Head summarised the application and explained that the site was located within the Rural Area beyond the Green Belt whereby policy GBC3a allowed for the erection of development for agricultural purposes. The principle of the proposed development was therefore acceptable. Officers had included a condition regarding landscape design proposals.

The Head confirmed to Councillor P Ruffles that the comments made by the Countryside Access Officer and the Rights of Way Officer in paragraphs 6.5 and 10.11 of the report were made by the same Officer and covered the same issues. After being put to the meeting and a vote taken, the Committee accepted the recommendation of the Head of Planning and Building Control as now submitted.

RESOLVED – that in respect of application 3/17/0041/FUL, planning permission be granted subject to the conditions detailed in the report.

46 3/17/0387/OUT – OUTLINE APPLICATION FOR RESIDENTIAL DEVELOPMENT COMPRISING 15 DWELLINGS (INCLUDING 6 STARTER HOMES) WITH ASSOCIATED ACCESS AT LAND ADJACENT TO THE OLD RECTORY, BALDOCK ROAD, COTTERED, HERTS, SG9 9QP FOR MR AND MRS ROBERT TAUSSIG

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Mr Gunne-Jones addressed the Committee in support of the application. Councillor P Kenealy addressed the Committee as the local ward Member.

The Head of Planning and Building Control recommended that in respect of application 3/17/0387/OUT, planning permission be refused for the reasons detailed in the report now submitted.

The Head summarised the application and detailed the relevant planning history. Members were reminded that Cottered was a category 3 village in the current local plan. Emerging policy would change this designation to a group 2 village. Limited infill development could be supported and a key point was the weight that could be applied to the emerging policy.

The Head emphasised that even if the emerging policy was in place, this site was not within the village boundary. Members should be aware of the importance of the Authority demonstrating a 5 years supply of housing land. Members were reminded that the harm had to be significant and demonstrable before an application could be refused in this policy situation. The Head referred to the additional representations summary and concluded that the balance of considerations had shaped the recommendation for refusal.

Councillor D Andrews observed that he did not view this proposed development as infill and commented on deferral pending further information regarding the Section 106 Agreement and affordable housing. Following this and a comment from Councillor M Allen, the Solicitor confirmed that although the Section 106 heads of terms were not legally enforceable by themselves, they would be used as the basis for drafting a Section 106 legal agreement which would be enforceable.

The Head stated that the application had gone beyond the target date for determination and the applicant might agree to a further delay if they were amenable to further changes the Council sought. He referred to the likely policy basis for a deferral. Members debated the unresolved Section 106 agreement and the policy

situation as well as the emerging District Plan.

After being put to the meeting and a vote taken, the Committee accepted the recommendation of the Head of Planning and Building Control as now submitted.

RESOLVED – that in respect of application 3/17/0387/OUT, planning permission be refused for the reasons detailed in the report now submitted.

- 47 3/17/0407/FUL AND 3/17/0408/LBC – CHANGE OF USE OF BARN FROM AGRICULTURE TO B1 (OFFICE) AND THE ERECTION OF 1 NO. B1 (OFFICE) BUILDING AND ONE A3 (CAFE/RESTAURANT) TO INCLUDE PARKING AT WICKHAM HALL, HADHAM ROAD, BISHOP'S STORTFORD FOR MR DAVID HARVEY
- 

The Head of Planning and Building Control recommended that in respect of applications 3/17/0407/FUL and 3/17/0408/LBC, planning permission and listed building consent be granted subject to the conditions detailed in the report now submitted.

The Head summarised the applications and detailed the relevant site history. Members were advised that the largest 17<sup>th</sup> century aisled barn had been in steady decline for a number of years prior to previous development proposals at the site. It had now been restored. It was now proposed that other historic buildings on the site be restored and converted for office use.

Members were also advised that the applicant had re-evaluated his position and had subsequently sought amendments on the basis of swapping the approved residential scheme for new build commercial and a conversion to commercial.

The Head referred to the location within the Metropolitan Green Belt and the NPPF policy regarding the

introduction of new commercial buildings and the impact on the Green Belt. Members were advised that the proposed development represented inappropriate development in the Green Belt and such development should not be approved except in very special circumstances.

The Head acknowledged the benefits of the proposals and significant weight had been attached to the extant permission. The harm identified was clearly outweighed by other considerations and very special circumstances existed and planning permission should, therefore, be granted.

Councillor J Goodeve expressed support for the scheme and commented on the number of car parking spaces compared to the existing situation. She also commented on the access and the available passing places. The Head stated that there would be changes to the access due to Bishop's Stortford North and Hertfordshire Highways had not objected on the grounds of safety, road capacity or the impact on the public highway.

The Head clarified the situation regarding vehicle trip rates and parking standards. Members were advised that the proposed provision of 120 spaces was in accordance with the parking standard of up to a maximum of 122 spaces.

Councillor K Warnell expressed familiarity with the site and referred in particular to the insufficient parking. He welcomed the additional parking proposed by this application. Councillor M Casey referred to the location adjacent to the ASRs and Bishop's Stortford North. He commented on how the proposed development would connect with future housing.

The Chairman stated that, as the local ward Member, the proposals would be an asset to the locality and would be more appropriate than the permission previously granted for housing on the site. He felt the scheme would draw in

people from across the town and East Herts. After being put to the meeting and votes taken, the Committee accepted the recommendations of the Head of Planning and Building Control as now submitted.

RESOLVED – that in respect of applications 3/17/0407/FUL and 3/17/0408/LBC, planning permission and listed building consent be granted subject to the conditions detailed in the report.

48 ITEMS FOR REPORTING AND NOTING

At the invitation of the Chairman, the Head of Planning and Building Control summarised a number of points of relevance for Members to consider in respect of the appeal decisions detailed in the report.

RESOLVED – that the following reports be noted:

- (A) Appeals against refusal of planning permission / non-determination;
- (B) Planning Appeals lodged;
- (C) Planning Appeals: Inquiry and Informal Hearing dates; and
- (D) Planning Statistics.

The meeting closed at 8.55 pm

Chairman	.....
Date	.....

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MINUTES OF A MEETING OF THE  
DEVELOPMENT MANAGEMENT  
COMMITTEE HELD IN THE COUNCIL  
CHAMBER, WALLFIELDS, HERTFORD ON  
WEDNESDAY 21 JUNE 2017, AT 7.00 PM

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PRESENT: Councillor T Page (Chairman)  
Councillors M Allen, D Andrews, P Boylan,  
S Bull, M Casey, S Cousins, B Deering,  
M Freeman, J Goodeve, J Jones and  
D Oldridge.

ALSO PRESENT:

Councillors P Ruffles and S Rutland-Barsby.

OFFICERS IN ATTENDANCE:

Victoria Clothier	- Legal Services Manager
Paul Dean	- Principal Planning Enforcement Officer
Peter Mannings	- Democratic Services Officer
Kevin Steptoe	- Head of Planning and Building Control Services

57 APOLOGIES

Apologies for absence were submitted on behalf of Councillors P Ballam, R Brunton, R Standley and K Warnell. It was noted that Councillors P Boylan, S Bull, S Cousins and D Oldridge were substituting for Councillors P Ballam, R Brunton, K Warnell and R Standley respectively.

58 CHAIRMAN'S ANNOUNCEMENTS

The Chairman advised that the Minutes of the meeting held on 24 May 2017 would be submitted for approval as

a correct record at the Committee meeting on 19 July 2017.

59 DECLARATIONS OF INTEREST

Councillor J Jones declared a disclosable pecuniary interest in application 3/17/0876/LBC, on the grounds that he was the applicant. He left the room whilst this application was determined.

Councillor P Boylan declared a disclosable pecuniary interest in application 3/17/0239/FUL, on the grounds that he had previous involvement with the application in his capacity as Chairman of Braughing Parish Council. He addressed the Committee as the adjacent ward Member then sat separately to the Committee and took no part in the debate or vote.

60 MINUTES – 17 MAY 2017

RESOLVED – that the Minutes of the meeting held on 17 May 2017 be confirmed as a correct record and signed by the Chairman.

61 3/17/0239/FUL – CONSTRUCTION OF 4 DWELLINGS COMPRISING OF 2 NO THREE BED SEMI-DETACHED, 1 NO FOUR BED DETACHED AND 1 NO FIVE BED DETACHED AND ALL ASSOCIATED PARKING AND ACCESS FACILITIES. CONSTRUCTION OF NEW DETACHED GARAGE FOR UNIT 4. CONSTRUCTION OF A CART LODGE TYPE GARAGE FOR USE BY CHESTNUTS. DEMOLITION OF DETACHED SWIMMING POOL BUILDING AT LAND ADJACENT TO CHESTNUTS, 5 GREEN END, BRAUGHING, SG11 2PE FOR MR BEN STEPHENS

Mr Webb addressed the Committee in objection to the application. Mr Stretton spoke for the application. Councillor Mrs Veater addressed the Committee on behalf of Braughing Parish Council. Councillor P Boylan addressed the Committee as the adjacent ward Member. Following this, he sat separately to the Committee and

took no part in the debate or vote.

The Head of Planning and Building Control recommended that in respect of application 3/17/0239/FUL, planning permission be granted subject to the conditions detailed in the report now submitted.

The Head summarised the application and referred Members to the additional representations summary. He referred in particular to the additional commentary regarding the Highway Authority in that they had maintained their position that the application was acceptable in terms of highways safety. The Head summarised a number of submissions that had been received following the publication of the Committee report.

Members were advised of the usual set of circumstances regarding the out of date nature of the East Herts Local Plan Second Review April 2007 in relation to the National Planning Policy Framework (NPPF). The District Plan had not yet been examined in public and as such could not be given full weight in decision making by the Development Management Committee. The Authority remained in a position of being unable to demonstrate a 5 year supply of land for housing.

Members were reminded of the high test that had been set in that unless it could be demonstrated that there would be significant and demonstrable harm, applications for sustainable new residential development should be supported.

The Head referred to the unfavourable characteristics of Hull Lane which had been acknowledged by the Highway Authority. Members were advised however, that the Highway Authority did not consider the impact of the application to be severe in highway terms. Members were cautioned against making comparisons with other sites as their characteristics might be different and should not be taken into account in relation to this application.

The Head referred to the impact on the character and appearance of the area and reminded Members to weigh up all of the issues and opinions of advisers in their debate. They should pay particular attention to the presumption in favour of sustainable development. Officers had recommended approval as the benefits outweighed the harmful impacts.

Members debated the matter of Hull Lane being narrow and difficult for vehicles to ingress and egress safely as well as the issue of sub-standard site lines at the junction of Hull Lane and the B1368. Members felt that opportunities for accidents would increase at this already dangerous junction.

Councillor M Allen sought and was given clarification regarding the views of the Landscape Officer and the Conservation Officer. Councillor J Goodeve commented on why the access had not been from the B1368 for this site. Councillor S Bull referred to all of the objections in the report and stated that the height of the proposed development would be overbearing over all existing properties in the area.

Councillor B Deering stated that the application flew in the face of strong local opinion and a different type of local development should come forward that was more in keeping with the local Neighbourhood Plan. The Head stated that the junction referred to by Members did not have an accident record. Accidents had been recorded on Green End and 30 metres to the north of the Hull Lane junction.

As the proposed development was set back from the road, the visual impact would be more limited and Officers were unable to identify the harmful impact as a result.

Councillor M Casey proposed and Councillor S Bull seconded, a motion that application 3/17/0239/FUL be refused on the grounds that the proposed development

would exacerbate the current poor characteristics of Hull Lane and in particular, its limited width in the vicinity of the Green End junction and the limited sight lines at that junction. The proposals would have a detrimental, harmful and severe impact on current poor road safety conditions and were therefore contrary to policy TRA2 of the Council's pre-submission District Plan 2016 and the relevant requirements of the National Planning Policy Framework. The proposed development was out of keeping with the landscape context and character of Hull Lane and would appear as an overbearing form of development that was contrary to policies ENV1 and OSV1 of the East Herts Local Plan Second Review April 2007 and the requirements of the National Planning Policy Framework.

After being put to the meeting and a vote taken, this motion was declared CARRIED. The Committee rejected the recommendation of the Head of Planning and Building Control as now submitted.

RESOLVED – that in respect of application 3/17/0239/FUL, planning permission be refused for the following reasons:

1. The proposed development, by virtue of the generation of additional vehicular traffic on Hull Lane and the junction of it with Green End, Braughing, will exacerbate the impact of the current poor characteristics of the Hull Lane roadway which comprise its limited width in the vicinity of the Green End junction and the limited sight lines at that junction. As a result, the proposals will have a detrimental, harmful and severe impact on current poor road safety conditions and are therefore contrary to policy TRA2 of the Council's pre-submission District Plan 2016 and to the relevant requirements of the National Planning Policy Framework (NPPF) (para. 32).

2. The proposed development by virtue of its size and scale is considered to be out of keeping with and will therefore fail to contribute to or assimilate well within the landscape context and character found along this part of Hull Lane. It will appear as an incongruous and overbearing form of development. As a result the proposals are contrary to policies ENV1 and OSV1 of the East Herts Local Plan (Second Review) April 2007 and contrary to the requirements of the National Planning Policy Framework (NPPF) (section 7).

#### Summary of Reasons for Decision

In accordance with the Town and Country Planning (Development Management Procedure) (England) Order 2015, East Herts Council has considered, in a positive and proactive manner, whether the planning objections to this proposal could be satisfactorily resolved within the statutory period for determining the application. However, for the reasons set out in this decision notice, the proposal is not considered to achieve an acceptable and sustainable development in accordance with the Development Plan and the National Planning Policy Framework.

62 3/17/0251/FUL – ERECTION OF 20 DWELLINGS WITH ASSOCIATED PARKING, LANDSCAPING AND ACCESS AT LAND AT NORTH DRIVE, HIGH CROSS FOR BEECHWOOD HOMES LTD

Mr Cheadle addressed the Committee in objection to the application. Mrs Thompson spoke for the application. Councillor S Bosson addressed the Committee on behalf of Thundridge Parish Council. Councillor D Andrews addressed the Committee as the local ward Member.

The Head of Planning and Building Control recommended

that in respect of application 3/17/0251/FUL, subject to a Section 106 agreement, planning permission be granted subject to the conditions detailed in the report now submitted.

The Head summarised the application and detailed the relevant site history. He referred to the lack of a 5 year supply of housing land and the National Planning Policy Framework (NPPF) requirement that this be demonstrated by the Authority. Applications should be approved if they represented sustainable development and would not result in significant and demonstrable harm.

The Head referred to relevant and prevailing policies and commented on the character of this land as open space. The site did not have a formal designation in the East Herts Local Plan Second Review April 2007 or in the emerging District Plan.

The Highway Authority had not sought to restrict the grant of planning permission and Officers had recommended approval based on the views of expert advisors. The Conservation Officer had acknowledged the impact on the setting of the adjacent listed building but felt that the weight that could be applied meant that the impact would not be unduly harmful. Members were referred to the comments of the conservation design team detailed in the late representations summary.

Councillor D Andrews referred to the locally significant open space and the listed buildings. He commented on his concerns regarding the access onto the High Road via North Drive. He referred in particular to damage to the site lines following improvements to the filling station shop as well as the installation of broadband junction boxes. He concluded that other opportunities existed for this development and this was not the right site for the proposed development in High Cross.

Councillors D Oldridge and M Casey referred to the

current and future categorisation of the village. They referred to the poor standards of the road and local objections to the increase in size of the village. They also commented on the disproportionate impact of the proposed development on a small rural village.

There was a lengthy general debate regarding the categorisation of the village and the value of the open space. Members debated the matter of the standard of local roads and in particular the state of North Drive. The Head referred to High Cross being a category 1 village in the Local Plan and a group 2 village in the emerging District Plan. Members were advised that limited infill development could be permitted in High Cross based on the policies of the emerging District Plan.

The Head added a note of caution in that the emerging District Plan could not be given significant weight. He stated that work was ongoing to advance the District Plan and he referred to the policy position regarding adoption of local roads by Hertfordshire Highways. He concluded by advising Members regarding adoption of local roads, the conflicting views regarding the value of land as open space and Tree Preservation Orders (TPOs).

The Chairman referred to this being an application for a modest number of dwellings including 7 affordable housing units. He referred to the need for the Development Management Committee to weigh up all of the issues in reaching a balanced decision.

Councillor D Andrews proposed and Councillor M Casey seconded, a motion that application 3/17/0251/FUL be refused on the grounds that the proposed development was located in a currently undeveloped area of land which performed an important function in the settlement by virtue of its historical association with the Church and the Rectory. The development proposals would result in a significant harmful impact to the function and character of the area and the proposals were therefore contrary to policies OSV1, ENV1 and HSG7 of the East Herts Local



Plan Second Review April 2007, section 7 and 12 of the National Planning Policy Framework and policies VILL2, DES3 and HA1 of the pre-submission District Plan 2016.

After being put to the meeting and a vote taken, this motion was declared CARRIED. The Committee rejected the recommendation of the Head of Planning and Building Control as now submitted.

RESOLVED – that in respect of application 3/17/0239/FUL, planning permission be refused for the following reasons:

1. The proposed development is located in a currently undeveloped area of land which performs an important function in the settlement by virtue of its historical association with the Church and the Rectory located to the north, plays an important role in the setting of those heritage assets and is significant in the formulation of the character of this part of the settlement. The development proposals, utilising much of the undeveloped area of land, will result in a significant harmful impact and change to its function and character, by virtue of the introduction of considerable new built form. The proposals are thereby contrary to policies OSV1, ENV1 and HSG7 of the East Herts Local Plan Second Review April 2007, section 7 and 12 of the National Planning Policy Framework and policies VILL2, DES3 and HA1 of the pre-submission District Plan 2016.

#### Summary of Reasons for Decision

In accordance with the Town and Country Planning (Development Management Procedure) (England) Order 2015, East Herts Council has considered, in a positive and proactive manner, whether the planning objections to this proposal could be

satisfactorily resolved within the statutory period for determining the application. However, for the reasons set out in this decision notice, the proposal is not considered to achieve an acceptable and sustainable development in accordance with the Development Plan and the National Planning Policy Framework.

63 3/16/1253/FUL – ERECTION OF 27 NO RETIREMENT APARTMENTS (CATEGORY II SHELTERED HOUSING) WITH ASSOCIATED FACILITIES, CAR PARKING AND LANDSCAPING AT LAND NORTH OF PARK FARM INDUSTRIAL ESTATE, ERMINE STREET, BUNTINGFORD FOR MCCARTHY AND STONE RETIREMENT LIFESTYLE LTD

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Mr Seaman and Mrs Rickards addressed the Committee in support of the application.

The Head of Planning and Building Control recommended that in respect of application 3/16/1253/FUL, subject to a legal agreement, planning permission be granted subject to the conditions detailed in the report now submitted.

Councillors S Bull and J Jones welcomed the application and expressed their support as there was unmet demand for retirement living in Buntingford. The Head confirmed to Councillor J Jones that the Section 106 legal agreement did not include the £2,915 towards library services as this was a function of Hertfordshire County Council and not East Herts Council.

Councillor P Boylan commented that this application would be beneficial for those who wished to downsize into smaller units. He referred to the ageing population that was generally living longer. After being put to the meeting and a vote taken, the Committee accepted the recommendation of the Head of Planning and Building Control as now submitted.

RESOLVED – that in respect of application

3/16/1253/FUL, subject to a legal agreement, planning permission be granted subject to the conditions detailed in the report submitted.

- 64 3/17/0643/HH – REMOVE 140CM HIGH WOODEN PICKET AND TRELLIS BOUNDARY FENCE AND REPLACE WITH NEW 160CM HIGH WOODEN FENCE AT 1 MILL COTTAGES, HARE STREET ROAD, BUNTINGFORD, SG9 9HX FOR MR RHYS THOMAS
- 

The Head of Planning and Building Control recommended that in respect of application 3/17/0643/HH, planning permission be granted subject to the conditions detailed in the report now submitted.

Councillor S Bull suggested that a condition be applied for tree planting or a similar form of screening for the proposed replacement wooden fence. Councillor D Andrews commented on whether the proposed development was permitted development.

The Head confirmed that fencing next to roads was covered by permitted development up to 1 metre in height and this proposed fence was 1.6 metres meaning that planning permission was required. Members were advised that the condition suggested by Councillor S Bull would depend on whether the land in question was within the control of the applicant or Hertfordshire Highways.

After being put to the meeting and a vote taken, the Committee accepted the recommendation of the Head of Planning and Building Control as now submitted.

RESOLVED – that in respect of application 3/17/0643/HH, planning permission be granted subject to the conditions detailed in the report.

At this point (9.55 pm), the Committee passed a resolution that the meeting should continue until the completion of the remaining business on the agenda.

65 3/17/0876/LBC – REGULARISE THE RE-LOCATION OF MILESTONE 34 AT WEST SIDE OF A10, CORNER OF WHITELEY LANE/A10 FOR COUNCILLOR JEFF JONES

The Head of Planning and Building Control recommended that in respect of application 3/17/0876/LBC, listed building consent be granted subject to the conditions detailed in the report now submitted.

After being put to the meeting and a vote taken, the Committee accepted the recommendation of the Head of Planning and Building Control as now submitted.

RESOLVED – that in respect of application 3/17/0876/LBC, listed building consent be granted subject to the conditions detailed in the report.

66 ITEMS FOR REPORTING AND NOTING

At the invitation of the Chairman, the Head of Planning and Building Control highlighted a number of recent appeal decisions and referred in detail to a number of points of interest.

RESOLVED – that the following reports be noted:

- (A) Appeals against refusal of planning permission / non-determination;
- (B) Planning Appeals lodged;
- (C) Planning Appeals: Inquiry and Informal Hearing dates; and
- (D) Planning Statistics.

The meeting closed at 10.02 pm

MINUTES OF A MEETING OF THE  
DEVELOPMENT MANAGEMENT  
COMMITTEE HELD IN THE COUNCIL  
CHAMBER, WALLFIELDS, HERTFORD ON  
WEDNESDAY 19 JULY 2017, AT 7.00 PM

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PRESENT: Councillor T Page (Chairman)  
Councillors M Allen, P Boylan, R Brunton,  
S Bull, M Casey, M Freeman, J Goodeve,  
J Jones, P Ruffles, R Standley and  
K Warnell.

ALSO PRESENT:

Councillors S Rutland-Barsby.

OFFICERS IN ATTENDANCE:

Victoria Clothier	- Legal Services Manager
Paul Dean	- Principal Planning Enforcement Officer
Thomas Howe	- Planning Student
Peter Mannings	- Democratic Services Officer
Kevin Steptoe	- Head of Planning and Building Control Services

129 APOLOGIES

Apologies for absence were submitted on behalf of Councillors D Andrews and B Deering. It was noted that Councillors P Boylan and S Bull were substituting for Councillors D Andrews and B Deering respectively.

130 CHAIRMAN'S ANNOUNCEMENTS

The Chairman congratulated Legal Services Manager, Victoria Clothier, on her recent marriage. Members congratulated the happy couple.

Members were reminded of the tour of the goods yard site that had been arranged for 20 July 2017 at 4.45 pm, followed by a briefing at the Rhodes Arts Complex at 6 pm where light refreshments would be available.

Members were requested to indicate page numbers when referring to paragraphs in the Committee reports to assist those who were viewing the agenda on electronic devices.

131 MINUTES – 24 MAY AND 21 JUNE 2017

RESOLVED – that the Minutes of the meetings held on 24 May and 21 June 2017, be confirmed as correct records and signed by the Chairman.

132 3/16/2296/OUT – REDEVELOPMENT OF EXISTING OFFICES AND STORAGE AND DISTRIBUTION PREMISES, TO CREATE RESIDENTIAL DEVELOPMENT OF 30 DWELLINGS WITH ASSOCIATED ACCESS ROADS, VEHICLE PARKING AND LANDSCAPING; CREATION OF NEW PUBLICLY ACCESSIBLE OPEN SPACE WITHIN DEVELOPMENT SITE AND IN ADJACENT WOODLAND. OUTLINE CONSENT – PERMISSION IS SOUGHT FOR ACCESS AND SCALE AT LAND EAST OF NETHERFIELD LANE, STANSTEAD ABBOTTS, SG12 8HE FOR WEBSTER ESTATES LTD

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Mr Hayter addressed the Committee in objection to the application. Mr Fuselli and Mr Tarzey spoke for the application. Councillor Davies addressed the Committee in objection to the application on behalf of Stanstead Abbots Parish Council.

The Head of Planning and Building Control recommended that in respect of application 3/16/2296/OUT, subject to a legal agreement, outline planning permission be granted subject to the conditions detailed in the report now submitted.

Councillor M Allen, as the local ward Member, commented on development not being seen in a negative perspective. He emphasised that the Authority considered all development proactively. He stated that whilst this development was well planned and well laid out, there were some significant issues. He referred to affordable housing and the fact that the site was located in the green belt. He concluded that more detail was required before Members could make an appropriate decision.

The Head referred to the late representations summary and additional information regarding suggested conditions should the application be approved. Members were referred to additional commentary from the Economic Development Manager and the Environmental Strategy and Development Manager.

The Head stated that, given the outline nature of the application and the fact that Section 106 matters were a matter for discussion, delegated authority was being sought for Officers to amend the financial provisions in any legal agreement. Members were advised that a key consideration was the reuse of previously developed land in the green belt. The Head detailed the National Planning Policy Framework (NPPF) description of previously developed land and Members were reminded that such redevelopment was not inappropriate in the green belt. Members were referred to page 9 of the report regarding openness and the green belt as well as the volumes of the proposed development in paragraph 10.4.

The Head reminded Members that marketing of the site was always encouraged where there would be a loss of employment land. He referred to a less than ideal policy scenario that had been presented in that the site had not been advertised as an employment site by the applicant. He also referred to the shortcomings of the buildings and the regulations around energy efficiency. Officers had acknowledged the lack of affordable housing and were in

agreement with the applicant's viability assessment that the costs of remediation works made the provision of affordable housing unviable. The NPPF stipulated that planning authorities should not seek to apply policy requirements where these rendered development proposals unviable.

Members were reminded of the NPPF requirement that where there was not a 5 years supply of housing land, applications should be approved unless there would be significant and demonstrable harm. The Head concluded that this application was for an additional 30 housing units to be added to the housing supply chain in East Herts.

Councillor S Bull commented that developments of over 10 dwellings qualified for affordable housing. He also referred to the issues of sustainability and car parking. Councillor P Ruffles referred to the status of the employment land and commented on the industrial past of Stanstead Abbots.

Councillor J Jones stressed that there had to be some affordable housing on this site. He referred to the potential lost benefit of jobs for the local economy. Councillor M Casey stated that the applicant should be required to market the site for 6 months before this application could be supported.

Councillor K Warnell referred to the issue of viability and stated that he believed the application was contrary to policies HSG3, HSG4 and EDE2 of the East Herts Local Plan Second Review April 2007. He expressed concerns regarding the 0% affordable housing proposed as part of this application. Councillor J Goodeve commented that viability on this site could be examined in the context on increasing house prices and whether affordable housing could be provided in future.

The Head confirmed that this was not a designated employment site. He stated however, that policy EDE2 required that action was taken to ascertain whether there



was any likelihood of the site being retained for employment before planning permission could be granted for other uses. Members must consider that although this scheme was not policy compliant, was the proposed development likely to cause harm that would significantly and demonstrably outweigh the benefits.

At the invitation of the Legal Services Manager, the Head reiterated that redevelopment of previously developed land was not inappropriate in the green belt. The NPPF was quite clear that redevelopment for any other use was acceptable.

Councillor J Jones proposed and Councillor M Allen seconded, a motion that application 3/16/2296/OUT be refused on the grounds that the proposal would result in the loss of an existing employment site which would be to the detriment of the economic well-being of the District and was therefore contrary to Policy EDE2 of the East Herts Local Plan Second Review April 2007 and Section 1 of the National Planning Policy Framework. The proposal also failed to make adequate provision for affordable housing and was therefore contrary to Policies HSG3 and HSG4 of the East Herts Local Plan Second Review April 2007 and Section 6 of the National Planning Policy Framework.

After being put to the meeting and a vote taken, this motion was declared CARRIED. The Committee rejected the recommendation of the Head of Planning and Building Control as now submitted.

RESOLVED – that in respect of application 3/16/2296/OUT, planning permission be refused for the following reasons:

1. The proposal would result in the loss of an existing employment site which would be to the detriment of the economic well-being of the District. The potential of the retention of the site for continued employment use has not

been fully assessed. As a result, the proposals are contrary to Policy EDE2 of the East Herts Local Plan Second Review April 2007 and Section 1 of the National Planning Policy Framework.

2. The proposal fails to make adequate provision for affordable housing, and therefore, whilst contributing to housing supply, fails to meet the range of identified need. As a result, the proposals are contrary to Policies HSG3 and HSG4 of the East Herts Local Plan Second Review April 2007 and Section 6 of the National Planning Policy Framework.

#### Summary of Reasons for Decision

In accordance with the Town and Country Planning (Development Management Procedure) (England) Order 2015, East Herts Council has considered, in a positive and proactive manner, whether the planning objections to this proposal could be satisfactorily resolved within the statutory period for determining the application. However, for the reasons set out in this decision notice, the proposal is not considered to achieve an acceptable and sustainable development in accordance with the Development Plan and the National Planning Policy Framework.

133 3/17/1086/VAR – VARIATION OF CONDITION 3 (APPROVED PLANS) OF 3/13/1820/FP - DEMOLITION OF EXISTING LAFARGE TARMAC DEPOT BUILDINGS AND STRUCTURES. CONSTRUCTION OF A MIX OF 8 SUSTAINABLE DWELLINGS TOGETHER WITH ASSOCIATED HIGHWAY WORKS, LANDSCAPING, WATER MANAGEMENT AND FOOTPATH PROVISION – CONDITION 3 TO BE VARIED TO: THE DEVELOPMENT HEREBY APPROVED SHALL BE CARRIED OUT IN ACCORDANCE WITH THE FOLLOWING APPROVED PLANS: 671.PB.100B, 2155/HP/1, 671.PB.102A, 671.PB.201B, 671.PB.200B, 671.PB.202B, 2373.TPP AND 2373.AIA REV B AT LAND ADJOINING SACOMBE ROAD, WATERFORD FOR TARMAC TRADING LTD

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The Head of Planning and Building Control recommended that in respect of application 3/17/1086/VAR, subject to a deed of variation to the Section 106 Agreement, planning permission be granted subject to the conditions detailed in the report now submitted.

The Chairman summarised the situation for Members regarding the timeline of the relevant planning history. The Head confirmed that this application was simply to resolve an anomaly that had been referred to the Chairman in his introduction.

Councillor M Casey commented that the site was less than ideal for a housing development. He commented on whether Members were bound by the previous decision or should the whole application be considered afresh by the Committee.

Councillor P Ruffles referred to the site being in his ward and stated that the relationship of the site with the local environment was quite a good one. He referred to the site not being totally isolated due to an important footpath and he emphasised that rectifying the omissions from the earlier application was a positive step forward.

After being put to the meeting and a vote taken, the

Committee accepted the recommendation of the Head of Planning and Building Control as now submitted.

RESOLVED – that in respect of application 3/17/1086/VAR, subject to a deed of variation to the Section 106 Agreement, planning permission be granted subject to the conditions detailed in the report.

- 134 3/17/0223/FUL – ERECTION OF A 3 STOREY BLOCK COMPRISING 7 X 2 BED FLATS AND 2 X 1 BED FLATS, TOGETHER WITH ASSOCIATED LANDSCAPING, CAR PARKING, CYCLE SHELTER AND REFUSE STORAGE BUILDING AT FOR LAND ADJACENT TO WALDEN COURT, PARSONAGE LANE, BISHOP'S STORTFORD, CM23 5DB FOR MR S GRUENFELD, STORTFORD HOMES LTD

The Head of Planning and Building Control recommended that in respect of application 3/17/0223/FUL, subject to a legal agreement, planning permission be granted subject to the conditions detailed in the report now submitted.

The Head summarised the application and detailed the relevant planning history. He confirmed that 2 of the buildings on the site had been converted to residential use under recent permitted development legislation. He stated when sites were developed in a piecemeal manner, the Council's policies sought to ensure that the site was considered as a whole in respect of affordable housing and financial contributions.

Members were advised that the details of the County Council financial contributions were subject to further consideration following confirmation from the County Council that contributions for education and youth services only were to be required. Delegated authority was therefore being sought to resolve the final detail of this with the applicant.

The Head confirmed that the site was located within the built up envelope of the town and further development

was therefore considered to be acceptable. The proposed development was very similar in overall design and appearance to the rest of the site and the built form would sit comfortably with other developments in the immediate vicinity.

The Head advised that the affordable housing contribution was considered to be acceptable by the Council's housing managers and would work well as regards future management purposes. He referred to the commentary in the report regarding the reduction in the headline parking figure that would normally be sought on a development of 41 units. Officers felt 42 spaces would be acceptable given that the site was sustainable and was located within a reasonable distance from a variety of services and facilities, such as schools and employment spaces as well as the facilities in the town centre.

Officers had recommended the application for approval due to a favourable balance of considerations. Members were advised that Bishop's Stortford Town Council had now objected to the application on the grounds of a difficult site access and overdevelopment.

Councillor M Casey expressed concerns regarding the car parking provision. He commented that with parking provision of 1 space per flat any additional vehicles would end up being parked on Parsonage Lane. He believed that the scheme was 12 spaces short in terms of car parking provision.

Councillor J Jones referred to the issue of airport parking on roads in this part of Bishop's Stortford. He commented on whether overspill parking resulting from this scheme would exacerbate parking problems. He confirmed that he was content with the position regarding affordable housing.

Councillor K Warnell confirmed that he was happy with the proposed development but emphasised that he was also concerned over the lack of visitor parking and

general shortfall of parking provision on this site. He commented on whether a significantly larger amount of parking spaces could be sought than the number of units being proposed by this application.

The Head advised that the submitted plans appeared to indicate that there was scope for additional parking on site. He suggested that delegated authority be given to Officers to further explore the potential for this with the applicant given he was aware that the applicant was keen to resolve matters regarding affordable housing in a timely manner without having the application reported back to the Committee. Members were advised that Officers felt that an additional 6 spaces could easily be achieved on this site.

The Chairman referred to significant confusion regarding car parking and affordable housing provision. He made comments regarding the reasonableness and conduct of Officers giving further consideration to matters in advance of the Development Management Committee to seek to resolve matters which might be raised at the meeting and thereafter being granted delegated authority to deal with them. He believed that a clearer approach would be to defer the scheme to allow a further dialogue to take place between Officers and the applicant before the matter was determined.

The Head reminded Members to be mindful of the risks regarding the withdrawal of the affordable housing provision should the application be delayed by a deferral of permission. As part of the further Member debate around the issue of car parking, the Head advised Members that an element of visitor parking was accommodated within the Council's adopted parking standards.

Councillor K Warnell withdrew his earlier comment regarding whether significantly larger amount of parking spaces could be sought than the number of units being proposed by this application.

Councillor M Freeman stated that he was conscious that this was a public meeting and he sought to publically disassociate himself from the Chairman's previous comments regarding action taken by Officers. Members continued a general debate in respect of car parking standards and affordable housing.

After being put to the meeting and a vote taken, the Committee agreed that authority be delegated to the Head of Planning and Building Control to determine the application. Any scheme, as might be approved, shall provide a minimum of 56 car parking spaces. The Committee also delegated authority to the Head of Planning and Building Control to determine the funding elements and the final amounts to be secured through a Section 106 Planning Obligation agreement and to apply appropriate conditions.

RESOLVED – that (A) in respect of application 3/17/0223/FUL, authority be delegated to the Head of Planning and Building Control to determine the application and any scheme, as might be approved, shall provide a minimum of 56 car parking spaces; and

(B) authority be delegated to the Head of Planning and Building Control to determine the funding elements and the final amounts to be secured through a Section 106 Planning Obligation agreement and to apply appropriate conditions.

- 135 3/17/0819/SV – PLANNING REF: 3/13/2223/FP – THE PROPOSED CHANGE TO THE SECTION 106 AGREEMENT TO AMEND THE TENURE OF A 4 BEDROOM HOUSE (4 ARTHUR MARTIN-LEAKE WAY) FROM AFFORDABLE RENT (AR) TO SHARED OWNERSHIP (SO) AT 4 ARTHUR MARTIN-LEAKE WAY, HIGH CROSS, SG11 1BQ FOR B3 LIVING
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The Head of Planning and Building Control recommended

that in respect of application 3/17/0819/SV, subject to a deed of variation to the legal agreement, planning permission be granted subject to the conditions detailed in the report now submitted.

After being put to the meeting and a vote taken, the Committee accepted the recommendation of the Head of Planning and Building Control as now submitted.

RESOLVED – that in respect of application 3/17/0819/SV, subject to a deed of variation to the legal agreement, planning permission be granted subject to the conditions detailed in the report.

### 136 ITEMS FOR REPORTING AND NOTING

At the invitation of the Chairman, the Head of Planning and Building Control highlighted a number of recent appeal decisions and referred in detail to a number of points of interest.

RESOLVED – that the following reports be noted:

- (A) Appeals against refusal of planning permission / non-determination;
- (B) Planning Appeals lodged;
- (C) Planning Appeals: Inquiry and Informal Hearing dates; and
- (D) Planning Statistics.

The meeting closed at 8.46 pm



MINUTES OF A MEETING OF THE  
OVERVIEW AND SCRUTINY COMMITTEE  
HELD IN THE COUNCIL CHAMBER,  
WALLFIELDS, HERTFORD ON TUESDAY  
13 JUNE 2017, AT 7.00 PM

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PRESENT: Councillor M Allen (Chairman)  
Councillors D Abbott, M Casey, G Cutting,  
B Deering, I Devonshire, H Drake,  
M Freeman, J Goodeve, P Phillips,  
M Stevenson, N Symonds, Mrs D Hollebon  
and K Warnell

ALSO PRESENT:

Councillors A Alder, J Jones, P Kenealy,  
M Pope, P Ruffles, C Snowdon and J Wyllie

OFFICERS IN ATTENDANCE:

- |                    |  |
|--------------------|--|
| Lorraine Blackburn | - Democratic Services Officer                  |
| Isabel Brittain    | - Head of Strategic Finance and Property       |
| Fiona Corcoran     | - Scrutiny Officer                             |
| Mark Kingsland     | - Leisure Services Manager                     |
| Joseph Liggett     | - Leisure Services Development Manager         |
| Andrew Pulham      | - Parking Manager                              |
| Claire Pullen      | - Engagement and Partnerships Officer (Grants) |
| Helen Standen      | - Director                                     |

Liz Watts - Chief Executive

ALSO IN ATTENDANCE:

Ms Lisa Forsyth - Max Associates

49 CHAIRMAN'S ANNOUNCEMENTS

The Chairman welcomed all those in attendance. For the benefit of the public, he provided some general “housekeeping” information in relation to fire exits and public conveniences.

The Chairman stated that with Members’ consent, he would like to bring agenda item 6 (Priorities for Parking Enforcement) forward. This was supported.

50 APPOINTMENT OF VICE CHAIRMAN

It was moved by Councillor M Freeman and seconded by Councillor K Warnell that Councillor P Phillips be appointed Vice Chairman for the civic year 2017/18.

RESOLVED – that Councillor P Phillips be appointed Vice Chairman for the civic year 2017/18.

51 APOLOGY

An apology for absence was received from Councillor P Moore. It was noted that Councillor K Warnell was substituting for her.

52 DECLARATIONS OF INTEREST

Although not a Disclosable Pecuniary Interest, Councillor I Devonshire asked that his daughter’s employment at Fanshawe Pool be recorded.

53 PRIORITIES FOR PARKING ENFORCEMENT (TASK AND FINISH GROUP)

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The Parking Manager submitted a report outlining the scope and draft Terms of Reference of the Parking Enforcement Contract Scrutiny Task and Finish Group. He provided a summary of the report adding that the membership had been agreed and that Group meetings would be held in June and July 2017. The Parking Manager invited Members to contact either himself or the Scrutiny Officer with any comments or observations within the next seven to ten days.

Councillor M Casey referred to the issue of evening enforcement. The Parking Manager explained that the majority of parking restrictions ended at 6:30pm but that there was some evidence of chronic parking on double yellow lines well into the evening, which caused problems.

In response to a query from Councillor P Phillips about reviewing the need for some single and double yellow lines, the Parking Manager explained that a review had been undertaken several years ago and that this was not within the scope of the Task and Finish group.

Councillor Mrs D Hollebon agreed that areas around schools needed greater enforcement attention and that this should be given priority.

In response to a query from Councillor N Symonds, the Parking Manager explained the function of double yellow lines and when penalty charges could be issued to vehicles parked on the footway adjacent to yellow lines.

Members supported the report, as detailed.

RESOLVED – that (A) the scope and Terms of Reference of the Parking Enforcement Contract Scrutiny Task and Finish Group as detailed in Essential Reference Paper “B” of the report submitted, be endorsed; and

(B) Members' comments or suggestions relating to the remit of the Task and Finish Group be referred to the Lead Officer and Scrutiny Officer.

54 LEISURE STRATEGY: PART 1 - PROPOSED FUTURE DIRECTION OF TRAVEL FOR COUNCIL MANAGED FACILITIES; PART 2 - PROPOSAL TO DEVELOP THE LEISURE AND SPORTS PROVISION IN BISHOP'S STORTFORD

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Part 1

The Leisure Task and Finish Group submitted a report setting out the proposed future direction of travel for Council managed leisure facilities.

Councillor M Freeman provided a summary of the Leisure Strategy Facilities report regarding a proposed mix of leisure facilities to be provided by the Council over the next 20 years and the options available. He referred to the remit of the Task and Finish Group, reminding Members that the Council had no statutory obligation to provide leisure facilities, but that there was a statutory responsibility in terms of the health and wellbeing of its community.

A presentation was provided by Councillor M Freeman on the work of the Task and Finish Group which highlighted key challenges, the profile of the communities and the business case evidence for the five facilities. Ms Lisa Forsyth, (Consultant from Max Associates), provided detailed responses to questions previously notified.

Councillor M Stevenson referred to the Education Funding Agency (EFA) Government funding and queried where this would leave the school and the children if this was clawed back by the Government. The Leisure Services Development Manager explained how Government funding supported education related leisure and the need for the proposal to be commercially viable.

In supporting the proposals, Councillor K Warnell thanked the Task and Finish Group for the report and referred to the Old River Lane proposals and the refurbishment of Bishop's Stortford Town Centre. He hoped that what was being proposed complied with Sport for England specifications.

Councillor J Wyllie fully supported the proposals and the investment in leisure facilities in Bishop's Stortford. He stated that Rye Street was a "hot spot" in terms of traffic and that this would only deteriorate when thousands of homes planned on the Bishop's Stortford North site were developed. He suggested that there was a need to review the infrastructure and use Section 106 monies and New Homes Bonus monies.

Councillor B Deering supported investment in health and fitness. He queried the £31Million proposed investment in terms of the impact this would have on revenue streams and whether this was commercially viable. He sought assurances that a development with the private sector had been fully explored. A query was also raised by Councillor P Phillips on the funding through borrowing and the rate of return on investment. The consultant provided a detailed response on the breakdown of the investment figure and why working with private leisure developers was not feasible in this instance.

The Head of Strategic Finance assured Members that financial modelling had been carried out and was satisfied that the margins necessary to achieve a profit, could be reached.

Councillor C Snowdon was concerned that many current facilities were not properly managed and that there were times through the day when people were turned away. The Leisure Services Development Manager explained how joint use pools were managed and the contributions made by schools.

Councillor H Drake commented on the cost of membership of private sector leisure facilities and of the difficulties of on-site parking. She referred to the concessions provided by some pools to individuals by virtue of their employment and asked that this be reviewed in due course.

Councillor G Cutting referred to the Old River Lane project and the sustainable transport planned for the Bishop's Stortford North housing development and stated that Hertfordshire County Council was aware of the problems and the significant piece of work being done to support infrastructure requirements.

Councillor M Casey reminded Members that Grange Paddocks was 50 years old and of the need to replace the facility with one which could meet the needs of the current population of 40,000 which would likely increase with the new housing. He stated that the level of investment proposed was a lot of money, but when apportioned to population numbers, considered that this offered good value for money. Councillor Mrs D Hollebton stated that many people from surrounding areas such as Takeley and Stansted used facilities in Bishop's Stortford creating more pressure on demand.

Councillor N Symonds referred to the flooding of the Grange Paddocks football pitches and sought assurances that this would not occur. Approaches to mitigate this were outlined. Councillor G Cutting explained that the Environment Agency was proposing to alter the upper River Stort which would mitigate the flow and so reduce risk.

The Chairman referred to Fanshawe Pool and Gym. The Leisure Services Development Manager explained the difficulties in relation to EPA funding. In the circumstances, Members felt that they could not support investment of this facility.

During the debate, the Leisure Services Development Manager and the Consultant provided Members with detailed response to all of the issues raised.

Members of Overview and Scrutiny Committee acknowledged the investment proposed was a large sum of money but that some of its managed facilities, specifically Grange Paddocks was not meeting the needs of a growing population which would grow further as a result of the Bishop's Stortford North housing development. Members felt that it was important to

provide facilities which not only met with demand, but which would contribute to the health and wellbeing of residents and address the key challenges as detailed in the report.

Members of Overview and Scrutiny Committee were unanimous in their support of the investment proposal with the exception of the options proposed in relation to Fanshawe Pool and Gym which they felt they could not support in terms of further investment and expressed a preference for Option B, which did not include proposals for long term investment at Fanshawe Pool and Gym.

RESOLVED – that the Executive be advised that Overview and Scrutiny Committee (A) unanimously supports the investment proposed with the exception of Option A in relation to the Fanshawe Pool and Gym;

(B) endorses the view that existing joint use facilities should remain in operation until compensating investments had been made at Hartham and Grange Paddock facilities;

(C) endorses the views of the “Vision for Leisure Facilities” and that these be included in the Physical Activity Strategy, as now detailed; and

(D) the remit of the Task and Finish Group be extended to support the leisure service specification in relation to key service policy considerations such as concessionary pricing policy, health and wellbeing and community development.

## Part 2

The Leisure Services Development Manager submitted a report which outlined proposals for a leisure facility in Bishop’s Stortford within the context of the emerging leisure facility requirements, Physical Activity Strategy and the Bishop’s Stortford North Section 106 Sports Investment Strategy. He provided a summary of the approach to the Council by the Head teacher of Herts and Essex School as detailed in the

report.

Members debated the issue of funding in relation to the Bishop's Stortford North 106 Sports Investment Strategy and noted that the projects identified within the Strategy, totalled approximately £22.8 million with a contribution being sought from the Council of £3 million. The benefits of supporting the Strategy were summarised.

Councillor B Deering queried what safeguards were in place to protect the Council's financial investment. The Leisure Services Development Manager assured the Member that a water tight agreement would be drawn up to protect the Council's interests and if necessary, would take legal action should there be any departure from the agreement.

Councillor K Warnell expressed concern regarding the loss of £23,000 revenue. The Leisure Services Development Manager referred to Sports Halls and explained how cross subsidisation worked.

Councillor J Wyllie referred to the issue of infrastructure and the impact this would have on extra traffic using Beldams Lane in Bishop's Stortford. He did not support a suggestion he had heard (outside of the meeting) that 6<sup>th</sup> Formers would be able to park on the site.

In response to a query from Councillor H Drake regarding planning permission and other financial queries, the Leisure Services Development Manager explained the planning process and the expenditure versus profit element. He reassured Members that the school was familiar with public liability insurances and was confident in the school's ability to ensure equity in the use of the facility.

Councillor G Cutting suggested that a Contract Guarantee be drawn up.

Councillor M Casey acknowledged that £3 million was a lot of money and stated that, given the demand and rising population, this represented good value for money. He noted



that the dedicated Dojo represented 1/3 of the overall £3 million sought and also expressed concern about cars and coaches using Beldams Lane which, he reminded Members, was narrow and had traffic calming measures in place. The Leisure Services Development Manager commented that the issue of access would be addressed at the planning stage. He reminded Members that there was strong martial arts support in Bishop's Stortford and cited other disciplines which could use the Dojo, such as Karate, Yoga and Tae Kwando.

In response to a query regarding the submission of the planning application, the Leisure Services Development Manager explained the background to EPA Funding from the Government and the timing of the application. He explained that this was time limited.

Councillor M Pope referred to the shortage of football pitches across the District.

The Chairman queried the impact of the proposal on the Council's Medium Term Financial Plan. The Head of Strategic Finance provided a detailed response.

Members of Overview and Scrutiny Committee were unanimous in their support of a proposal to invest in a leisure facility development proposed by Herts and Essex School to develop leisure and sports provision in Bishop's Stortford.

RESOLVED – that the Executive be advised that Overview and Scrutiny Committee unanimously supports the investment proposed by Herts and Essex School to develop leisure and sports provision in Bishop's Stortford.

## 55 REVIEW OF PLANNING ENFORCEMENT

The Director submitted a report outlining the current position in regard to the Council's Planning Enforcement Service. She provided a summary of the report and of the action being taken including the production of an action plan, employment of additional staff and the use of a specialist enforcement

company to help clear the backlog.

Councillor M Freeman welcomed the action being taken and asked that the Chairman of Development Management Committee be kept informed of progress.

Councillor I Devonshire and Councillor M Casey welcomed the report. It was acknowledged that some of the enforcement delays could be attributed to re-structuring the department. Councillor M Casey hoped that developers would be made aware of the steps which were being put into action.

Concern was expressed by Members regarding the disregard by some developers in terms of the planning process. Councillor K Warnell asked Officers to ensure that consultants were advised to stick with the legal process regarding unauthorised developments. The Director provided assurances that the Council would take whatever action was appropriate.

In response to a query regarding the basis for external charging and follow ups, the Director explained that the Consultants would provide a cost basis for handling each enforcement action and would ensure that the Enforcement Team were provided with the resources and ability to support the action needed.

Members received the report.

RESOLVED – that (A) the report be received; and

(B) an Action Plan be presented to the next meeting of Overview and Scrutiny Committee.

## 56 DRAFT WORK PROGRAMME 2017 /18

The Chairman submitted a report setting out the draft work programme for Overview and Scrutiny Committee for the civic year 2017/18. The Scrutiny Officer advised that the report before Members was a draft and that further reports would be

added to the programme. She stated that a meeting would be held on 12 July 2017 to which all Members were invited, to consider other items for inclusion on the draft work programme.

The Scrutiny Officer explained that the two new Scrutiny Committees would also be supported by Claire Pullen who would be co-ordinating with Officers.

Members approved the draft Work Programme for Overview and Scrutiny Committee.

RESOLVED – that the draft Work Programme for Overview and Scrutiny Committee, as now detailed, be approved.

The meeting closed at 9.28 pm

Chairman .....
Date .....

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MINUTES OF A MEETING OF THE  
PERFORMANCE, AUDIT AND  
GOVERNANCE SCRUTINY COMMITTEE  
HELD IN THE COUNCIL CHAMBER,  
WALLFIELDS, HERTFORD ON TUESDAY 4  
JULY 2017, AT 7.00 PM

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PRESENT: Councillor M Pope (Chairman)  
Councillors A Alder, P Boylan, S Cousins,  
K Crofton, R Henson, J Kaye, D Oldridge,  
S Reed, P Ruffles, S Stainsby, T Stowe,  
J Wyllie and C Woodward

ALSO PRESENT:

Councillor M Allen

OFFICERS IN ATTENDANCE:

Lorraine Blackburn	- Democratic Services Officer
Isabel Brittain	- Head of Strategic Finance and Property
Claire Pullen	- Engagement and Partnerships Officer (Grants)
Graeme Reid	- Shared Service Manager - Revenues
Chris Smith	- Business Engagement Manager
Adele Taylor	- Director
Ben Wood	- Head of Communications, Strategy and Policy

ALSO IN ATTENDANCE:

Alan Cooper	- SIAS
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85 CHAIRMAN'S ANNOUNCEMENTS

The Chairman welcomed all those in attendance.

The Chairman requested that, with Members' consent, agenda item 7 (New Business Incubation Space in Bishop's Stortford) be brought forward on the agenda, as the first substantive item. This was supported.

86 APOLOGIES

Apologies for absence were submitted on behalf of Councillors P Ballam and Radford. It was noted that Councillor S Cousins was substituting for Councillor P Ballam and Councillor C Woodward was substituting for Councillor L Radford.

87 MINUTES

RESOLVED – that the Minutes of the meeting held on 23 May 2017 be confirmed as a correct record and signed by the Chairman.

88 NEW BUSINESS INCUBATION SPACE IN BISHOP'S STORTFORD

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The Executive Member for Economic Development submitted a report setting out proposals on a business incubation facility at Charrington's House in Bishop's Stortford against the background of changes to business rates, anticipated housing growth and the need to provide employment opportunities to residents. The Business Engagement Manager provided a summary of the report.

Councillor J Wyllie supported the proposal, stating that this was something Bishop's Stortford needed and spoke of the need to review and support growth.

Councillor C Woodward sought and was provided with clarification on the role of WENTA in supporting the Council's

aims and in relation to the proposal now detailed. The Head of Communications, Strategy and Policy explained that what was proposed was a pilot to explore which businesses showed interest and how the incubator was able to be used.

In response to a query from Councillor D Oldridge, Members were assured that there would be no post code or other restrictions imposed on those interested in occupying the incubator space (of 55 stations).

Councillor J Kaye queried what proportion of Charrington's House was currently used and similar (competitive) space provided locally. The Head of Strategic Finance explained that she would write to Members with the exact occupation figures, adding that approximately 1/8 was currently populated by East Herts staff. From a competitive viewpoint, it was noted that there was limited local office space available.

Councillor M Allen supported the proposal and suggested that Members be provided with an evaluation of the pilot within six months of its operation and then 12 months on. Councillor D Oldridge and P Boylan stated that identifying targets from the beginning was important. This would help provide valuable information on business survival rates and successes achieved. This was supported.

In terms of the market, the Business Development Manager referred to the links being developed, one of which could bring in customers from the Baltic states.

The Head of Communications, Strategy and Policy agreed to develop realistic targets and would circulate these to all Committee Members in advance of the pilot commencement.

Members of Performance, Audit and Governance Scrutiny Committee considered the proposal in terms of relevance and feasibility and supported the recommendations as now detailed.

RESOLVED – that (A) the pilot facility proposed be supported and that measurable methods, including

specific targets to aid the evaluation of the pilot, such as the number of businesses expressing interest and amount of desk usage taken up be developed and be evaluated at 6 months then in 12 months in order to assess its potential success; and

(B) a further report be submitted to Performance, Audit and Governance Scrutiny Committee within six months of its operation and then in June 2018 to consider the results of the pilot study and to consider whether this should be developed further.

## 89 GENERAL FUND REVENUE AND PERFORMANCE OUTTURN 2016/17

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The Executive Member for Finance and Support Services submitted a report on the General Fund Revenue Outturn for 2016/17, which explained variances against the approved budget, the financing arrangements for 2016/17 Capital Outturn (and approved slippage) and the 2017/18 capital budget. The report also provided an update on the annual position against the Council's key performance indicators.

The Head of Strategic Finance provided a summary of the key highlights of the report in terms of where and why overspends had occurred.

Councillor M Pope expressed concern that there appeared to be a trend in overspending and sought more detailed information on why this had occurred. The Head of Strategic Finance explained, by way of example, the issues associated with increasing IT software costs, and the establishment of the building control company.

The Director commented that with regard to business and technology, changes had occurred in how the Council had to pay for some software and licensing costs in terms of the use of capital rather than revenue. She also explained that there had been some increases in licencing costs that left little room to negotiate plus the need to review cyber security arrangements. The Council negotiated where it could.



Councillor J Wyllie sought and was provided with further clarification on the performance indicator QEHPI 5.13c (Customer Satisfaction). The Head of Communications, Strategy and Policy assured Members that satisfaction levels were increasing and that the target figure might need revision next year.

The tenancy of Charrington's House and the need to reduce costs relating to vacant space was discussed. Councillor C Woodward urged Officers to be more flexible in relation to the leases offered to prospective tenants.

The Chairman sought and was provided with clarification on the following:

- the establishment of a building control; company and the costs incurred;
- the deficit on the collection fund;
- alternative sources of funding for the services delivered;
- complaints resolved within 14 days (10 working days) or less; and
- Council Tax Collection - % of current year liability collected.

Councillor K Crofton expressed concern on the level of overspends as detailed, and urged the need for more accurate budgeting so that an appropriate level of Council Tax could be set. He stated that the Council should not be diving into its reserves. The Head of Strategic Finance accepted that the budget should have been updated to reflect contributions from reserves. She stated that in relation to Council Tax the Council could only increase this by 2%.

The Director reminded Members that some expenditure was totally out of the Council's control, e.g., the Council did not set business rates and did not make decisions on business rate

appeals which any business could ask for. The Council took a view on the likely level of appeals and set aside earmarked reserves against which to write down an appeal which is what had happened in 2016/17 and was reflected in this report. Decisions about the budget were, therefore, made on the basis of best information available and also why it set aside reserves for specific purposes.

Members sought and were provided with clarification on residual household waste per household refuse bin collections and street sweeping. It was noted that this year's value was 435kg per household (468 kg last year) and not as shown in the report which in effect, improved on the Council's target this year by 40kg. The Head of Communications, Strategy and Policy agreed to feed this back to the Head of Operations and ask her to respond to Members.

Members of Performance, Audit and Governance Scrutiny Committee agreed the recommendations, as now detailed

RESOLVED – that the Executive be advised that Performance, Audit and Governance Scrutiny Committee endorses (A) the suggestion that the General Fund revenue outturn of £166k overspend be funded from the General Reserve;

(B) Capital Budgets totalling £1,899k being re-profiled from the 2016/17 capital programme to 2017/18 in order to fund ongoing capital schemes ;

(C) the Capital Programme for 2017/18 to 2020/21 as now detailed in paragraph 5.5 of the report ; and

(D) the Annual Performance report as now detailed, be noted.

## 90 ANNUAL GOVERNANCE STATEMENT 2016/17

The Leader of the Council submitted a report presenting the 2016/17 Annual Governance Statement and the 2017/18 Annual Governance Statement Action Plan. The Head of

Strategic Finance provided a summary of the report.

The Chairman sought and was provided with clarification from SIAS on the issue of Substantial and Moderate assurances on financial and non-financial systems. He explained processes and protocols in relation to levels of assurance.

Councillor J Wyllie stated that IT was an issue that continually came up as an area of concern. The Director explained that the Council was constantly working on its security and had action plans in place to make the systems more reliable, including cyber security and in adhering to new guidelines, so that the Council kept up to date.

In response to a query by the Chairman, the Head of Strategic Finance provided an overview of the new finance planning and reporting system which would provide information on invoicing, debtors, general ledger functions and generally provide an integrated financial system.

The Chairman raised the issue of the impact of Welfare Reform changes in terms of the provision of more support for services. The Director referred to the support provided by revenues staff, a third of whom made up the Council's workforce and the successes achieved.

Performance, Audit and Governance Scrutiny Committee supported the Annual Governance Statement 2016/17 and noted the risks, as now detailed within the 2016/17 Annual Governance Statement and the 2017/18 Action Plan.

RESOLVED – that (A) Annual Governance Statement for 2016/17 be supported; and

(B) the risks detailed within the 2016/17 Annual Governance Statement and the 2017/18 Action Plan, be noted.

91 SHARED INTERNAL AUDIT SERVICE (SIAS) ANNUAL ASSURANCE STATEMENT 2016/17 AND INTERNAL AUDIT ANNUAL REVIEW

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The Shared Internal Audit Service (SIAS) submitted a report setting out their overall view on the adequacy and effectiveness of the Council's control environment on key issues for the period 2016/17. The report summarised the performance of SIAS on the issue of compliance with Public Sector Internal Audit Standards and the Quality Assurance and Improvement Programme. SIAS also presented their Audit Charter for the civic year 2017/18 for approval. Members accepted the Audit Charter.

The SIAS Officer explained that in terms of the number of high priority audit recommendations agreed, 93% had met the deadline. He provided an overview as to why 100% had not been achieved and that a detailed report would be presented to Members in September 2017.

The Chairman referred to recent high profile cyber hacking attacks and sought assurances that the Council had preventative processes in place following recent attacks. The Director gave a brief overview of what actions had taken place both in the immediate aftermath of awareness of the global attacks, as well as ongoing actions. She thanked the teams for their hard work and efforts, particularly in the immediate aftermath. She assured Members that the Council had an Action Plan in place that was based upon the best practice guidance from the National Cyber Security Centre and liaised with relevant partners for up to date advice and guidance whenever possible. This had been in place prior to the high profile attacks and she stated that the Council continued to raise awareness with staff and Members around safe IT usage.

The Head of Strategic Finance provided assurance that the scope and resources for internal audit had not been subject to inappropriate limitations in 2016/17.

Members of Performance, Audit and Governance Scrutiny

Committee approved the recommendations as now detailed.

RESOLVED – that (A) the Annual Assurance Statement and Internal Audit Report be noted;

(B) the results of the Self-Assessment as required by the Public Sector Internal Audit Standards (PSIAS) and the Quality Assurance and Improvement Programme be noted;

(C) the SIAS Audit Charter for 2017/18 be approved; and

(D) the assurance from management, that the scope and resources for internal audit had not been subject to inappropriate limitations in 2016/17, be noted.

92 SHARED INTERNAL AUDIT SERVICE (SIAS) AUDIT PLAN 2017/18 AUDIT PLAN UPDATE

The Shared Internal Audit Service (SIAS) submitted a report detailing the progress made by SIAS in delivering the Council's Annual Audit Plan for 2017/18 (as at 17 June 2017). The report proposed amendments to the approved 2017/18 Audit Plan and provided an update on performance management information.

The SIAS Officer provided a summary of the report. The Head of Strategic Finance commented that high risk areas would be the focus.

Members of Performance, Audit and Governance Scrutiny Committee noted the Internal Audit Progress Report and the amendments to the Audit Plan as at 16 June 2017 and in relation to the status of high priority recommendations.

RESOLVED – that (A) the Internal Audit Progress report and amendments to the Audit Plan as at 16 June 2017 as now submitted, be noted; and

(B) the status of high priority recommendations be

noted.

93 WORK PROGRAMME

The Chairman of Performance, Audit and Governance (PAG) Committee submitted a report detailing the proposed work programme.

The Scrutiny Officer provided an update on topics that had been suggested at the PAG work programming meeting held on 15 June 2017. These had been taken to the Leadership Team for their views. She also advised Members that the 2016/17 Scrutiny Annual Report would be submitted to the next Council meeting.

The Scrutiny Officer advised that an additional informal briefing would be arranged in September 2017 to consider the Draft Statement of Accounts. The Head of Strategic Finance stated that the draft accounts would be published on the Council’s website (with a link sent to all Members). She asked that Members prepare as many questions in advance of that meeting for submission to her so that better use could be made of the time available.

Performance, Audit and Governance Scrutiny Committee supported the revised work programme for Performance Audit and Governance Committee, as now amended.

RESOLVED – that the work programme, as now amended, be approved.

The meeting closed at 8.45 pm

Chairman .....
Date .....

MINUTES OF A MEETING OF THE  
HUMAN RESOURCES COMMITTEE HELD  
IN THE COUNCIL CHAMBER,  
WALLFIELDS, HERTFORD ON  
WEDNESDAY 5 JULY 2017, AT 3.00 PM

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PRESENT: Councillor C Woodward (Chairman)  
Councillors P Boylan, S Bull, P Ruffles and  
M Stevenson

OFFICERS IN ATTENDANCE:

Lorraine Blackburn	- Democratic Services Officer
Vicki David	- Human Resources Officer
Helen Farrell	- Human Resources Officer
Emma Freeman	- Head of Human Resources and Organisation Development

94 APPOINTMENT OF VICE CHAIRMAN

It was moved by Councillor M Stevenson and seconded by Councillor S Bull that Councillor P Ruffles be appointed Vice Chairman for the civic year 2017/18.

RESOLVED – that Councillor P Ruffles be appointed Vice Chairman for the civic year 2017/18.

95 MINUTES

RESOLVED – that the Minutes of the meeting held on 19 April 2017 be confirmed as a correct and signed by the Chairman.

96 EMPLOYEE HANDBOOK

The Head of Human Resources and Organisational Development submitted a report inviting Members to review the updated Employee Handbook. The Head provided a summary of the key changes since its last review. The Chairman sought clarification and made a number of suggestions in relation to the following:

- publication of the handbook on line;
- the removal of names from the Council's structure;
- an explanation of the relationship between the Local Joint Panel and Human Resources Committee;
- addition of the Local Weighting Allowance;
- Retirement Gift – clarification of the award rather than the wording “lump sum”. It was suggested that it should be changed to read “a gift to the value of” and that this figure be reviewed. This was supported;
- Discounts at East Herts Leisure Facilities – clarification that this was also available to Members;
- Whistleblowing Policy – it was noted that the Performance Audit and Governance Scrutiny Committee at its meeting held on 4 July 2017, wanted to review the Policy. The Head of Human Resources and Organisational Development explained that the policy fell within the remit of Human Resources Committee; and
- Standards of Dress – especially on “dress down Friday”.

Members noted the changes to the Employee Handbook and supported the suggestion that names be removed from the Council's structure and that the Retirement Gift lump sum be reviewed.



RESOLVED – that (A) revisions to the updated Employee Handbook as amended, be approved; and

(B) the Retirement Gift lump sum be reviewed.

97 HUMAN RESOURCES MANAGEMENT STATISTICS -  
QUARTERLY REPORT

The Head of Human Resources and Organisation Development submitted a report setting out management statistics for the period April to June 2017. The HR Officer summarised the report and highlighted a number of key areas. She referred to the current headcount of 354 which equated to 300 full time equivalent posts (FTE). It was noted that the number of vacant funded hours expressed as FTE posts, was 43.34 hours.

Members were advised that the projected turnover for 2017/18 was 23.4% which was above the target of 10%. The current voluntary leaver's rate was 3.94% and projected to be 20.49% for 2017/18. A summary of which services were affected by the statistics was detailed in the report. The Head explained how these were unusually high and should level off in future quarters.

The Head explained that data for quarter one in relation to sickness was not available due to the launch of a new HR and Payroll System "MyView" and would be reported to Members in October 2017.

Updates were provided in relation to reportable accidents (none) and non-reportable accidents (five).

The Head of Human Resources and Organisational Development provided a summary of the Learning and Development programme for 2017/18. The Head also provided a summary of Performance Development Reviews between January and March 2017, the detail of which was set out in the report and equalities monitoring indicators.

In response to a query from Councillor P Boylan, the HR Officer explained levels of attendance on the various courses. He also sought and was provided with clarification on how the Black, Asian and Minority Ethnic (BAME) targets had been set.

Councillor M Stevenson asked how courses were organised for different departments. This was provided.

Members noted the HR statistics as presented.

RESOLVED – that the Human Management Statistics for the period April to June 2017, as now submitted, be noted.

#### 98 TURNOVER YEAR END REPORT: APRIL 2016 - MARCH 2017

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The Head of Human Resources and Organisational Development submitted a report which provided a detailed analysis of turnover for 2016/17.

The HR Officer provided a summary of actions identified to be delivered in 2017/18 to support the Council in improving its turnover rates and reasons for leaving, as now detailed. The Head recommended that the turnover targets as follows remain unchanged for 2017/18:

- Turnover rate target - 10%
- Voluntary turnover rate 2017/18 - 7%
- Stability Index - 90%

The Chairman thanked Officers for providing comparative information and referred to the difficulties some departments faced (namely planning), in recruiting officers. The HR Officer provided an update on how the Council advertised vacant posts and what professional career support was provided.

Councillor M Stevenson referred to Leavers' Feedback and the issue of promotional prospects. The Head of HR and

Organisational Development explained that many services had recently been restructured and that such feedback was not uncommon at a time of change.

In response to a query from Councillor P Boylan regarding the Local Government Workforce Survey 2015/16 regarding recruitment difficulties within the top three posts, e.g., Planning, Building Control and Civil Enforcement, the Head undertook to research this further and let Members know. She explained that on the issue of planning, many District Councils experienced similar difficulties and the private sector tended to pay more. The issue of recruiting civil enforcement and building control staff was debated.

Councillor M Stevenson referred to the use of apprentices and confirmed that HR Officers did visit schools to explain the role of the Council and what employment opportunities existed.

The Committee supported the recommendations, as now detailed.

RESOLVED – that the targets for 2017/18 remain unchanged as follows:

- turnover target rate – 10%
- Voluntary turnover rate – 7%
- Stability index – 90%

## 99 LEARNING AND DEVELOPMENT 2016/17

The Head of Human Resources and Organisational Development submitted an annual report summarising the delivery of the Learning and Development Programme 2016/17 both to employees and to Council Members. The HR Officer provided a summary of the report.

In response to a query from the Chairman regarding sharing e-learning with Town and Parish Councils, the HR Officer explained that the Council was working more closely and referred to the issue of safeguarding information. In relation to the provision of statutory information via e-learning, the Chairman stated that he was aware that some software

blocked access to a computer until information, important to a person's role, had been completed. Updates were provided in relation to "Bob Business" e-learning.

The Chairman referred to initiatives which were available such as Young Enterprise which provided young people with experience of business scenarios.

In response to a query from Councillor P Boylan, the Head of HR and Organisational Development explained why the current budget should remain unchanged, despite underspends in previous years. She undertook to provide Members with the training and development costs per employee. The HR Officer explained why attendance costs had risen.

The Committee noted the Learning and Development Annual Review 2016/17.

RESOLVED – that the Learning and Development Annual review 2016/18 be noted.

100 ABSENCE SICKNESS YEAR END REPORT : APRIL 2016 - MARCH 2017

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The Head of Human Resources and Organisational Development submitted a report on the short and long term sickness absence for 2016/17 and outlined initiatives to reduce absence. The HR Officer provided a summary of the explanations for sickness and benchmarking which had been carried out to help evaluate the targets proposed.

Councillor P Ruffles expressed concern about the rise in mental health statistics and queried whether this was because more people were comfortable discussing their illnesses. He urged HR to keep this under review. The Head explained that this issue was no longer a "taboo" subject to discuss. She added that the statistics reflected the amount of change within the Council in terms of restructures and how people had reacted to this and that long term sickness was not just about work, but a combination of other factors too.

Councillor M Stevenson sought and was provided with assurances regarding the Council's referral system to Occupational Health. The Committee Chairman queried whether Members would like to have a presentation on Occupational Health at some future date. This was supported.

In response to a query from Councillor P Boylan regarding national sickness averages against those of East Herts, the HR Officer explained that she would review the report to establish more information. The Head of HR and Organisational Development explained that the Council did not have high levels of sickness and that last year, the Council had its lowest sickness levels in the last five years.

The Head of HR and Organisational Development explained how the new payroll system "MyView" allowed employees to add personal details.

The Committee noted the changes to the Sickness Absence Policy and agreed that the targets as detailed, be retained.

RESOLVED – that (A) the report be noted;

(B) the current sickness absence management targets of 4.5 days FTE for short term absence; 2 days FTE for long term absence and 6.5 days FTE total sickness absence be retained; and

(C) a presentation be provided to Members by the Occupational Health team on mental health within the Council, including a review on the use of the new payroll system "MyView".

101 LOCAL JOINT PANEL - MINUTES OF THE MEETING: 7  
JUNE 2017

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RESOLVED – that the Minutes of the meeting held on 7 June 2017 be received.

(see also Minutes 102 – 104)

102 FAMILY FRIENDLY POLICY

The Committee considered and approved the recommendation of the Local Joint Panel meeting held on 7 June 2017 on a new Family Friendly Policy.

RESOLVED – that the Family Friendly Policy report, as now submitted, be approved.

(see Minute 101 above)

103 HOME WORKING POLICY

The Committee considered and approved the recommendation of the Local Joint Panel meeting held on 7 June 2017 on a revised Home Working Policy.

RESOLVED – that the revised Home Working Policy, as now submitted, be approved.

(see Minute 101 above)

104 SAFEGUARDING POLICY

The Committee considered and approved the recommendation of the Local Joint Panel meeting held on 7 June 2017 on a new Safeguarding Policy.

The Head of HR and Organisational Development explained the Policy had been updated to reflect changes requested by the Local Joint Panel at its meeting on 7 June 2017 and had been circulated to all Members of HR Committee. She provided a summary of the changes.

RESOLVED – that the new Safeguarding Policy, as now submitted, be approved.

(see Minute 101 above)

105 HEALTH AND SAFETY : MINUTES

The Minutes of the Health and Safety Committee held on 27 April 2017 were submitted for information.

RESOLVED – that the Minutes of the meeting held on 27 April 2017 be received.

The meeting closed at 5.00 pm

Chairman .....
Date .....

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EAST HERTS COUNCIL

COUNCIL – 18 OCTOBER 2017

REPORT BY EXECUTIVE MEMBER FOR HEALTH AND WELLBEING

LEISURE STRATEGY: DIRECTION OF TRAVEL FOR FANSHAWE AND LEVENTHORPE POOL AND GYM

WARD(S) AFFECTED: ALL

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**Purpose/Summary of Report**

- To enable the Council to consider the views expressed by the Community Scrutiny Committee at its meeting on 13<sup>th</sup> June and the Executive on 27<sup>th</sup> June 2017
- To enable the Council to consider the views expressed from the public consultation and petition responses
- To enable the Council to consider options of delivery for the two Schools who own their leisure facilities.

<b><u>RECOMMENDATIONS FOR COUNCIL:</u> That Council:</b>	
<b>(A)</b>	<b>Agree that the Council will commit to acting as a facilitator to help Chauncy School and Leventhorpe School explore alternative ways to maintain their leisure facilities;</b>
<b>(B)</b>	<b>Note that bidders will be invited to submit variant bids for the new leisure contract to include options for the future operation of Fanshawe and Leventhorpe Pools and Gyms should long term Council funding be unviable;</b>
<b>(C)</b>	<b>Note that the operational delivery of Fanshawe and Leventhorpe Pools and Gyms is included in the new leisure contract specification for up to 5 years, subject to each School's ability to contribute 40% of all costs; and</b>

<b>(D)</b>	<b>Subject to the outcome of (A) and (B), agree that the decisions on capital funding for Leventhorpe and Fanshawe Pools and Gyms is considered post tender evaluation.</b>
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## 1.0 Background

1.1 The Council's corporate strategic plan includes an action to 'Produce a leisure strategy to determine future direction and planning for the Council's two leisure centres and the three joint use swimming pools'. This sits within the core priority to: 'Improve the Health and Wellbeing of our communities'.

1.2 At its meeting in June 2016 the Community Scrutiny Committee received a report from the Leisure Task and Finish Group and concluded that the proposed direction of travel should be endorsed. In summary this is as follows:

### 1.2.1 **Stream 1 – Joint use Pools**

The development of an outline business case for the management and operation of the Joint Use Facilities, or if this is not feasible, alternatives based on a rationalisation proposal.

### 1.2.2 **Stream 2 - Hartham and Grange Paddocks Leisure Centres**

The development of an outline business case for the management and operation of the two Council owned sites based on:

- I. Capital costs
- II. Revenue impact
- III. Contract management arrangements
- IV. Contribution to Health and Wellbeing Objectives
- V. Risk assessment

### 1.2.3 **Stream 3 - Health and Wellbeing**

The development of initiatives through the new leisure management contract which enable the operation of leisure facilities to address key issues identified within the Council Health and Wellbeing Strategy.

1.3 The main issues identified in the report were as follows:

- a. Ageing facility stock
- b. Deteriorating facilities and capital investment requirements
- c. Increased population particularly in Bishop's Stortford
- d. Changing leisure trends resulting in demand for different activities and higher customer expectations
- e. Demand for existing activities to be delivered in different ways for example the increasing popularity of all-weather floodlit pitches
- f. Increased revenue support for ageing facilities and maintenance expenditure
- g. Joint Use facilities are subject to significant financial risk arising from the potential loss of Education Funding Agency (EFA) contribution

1.4 The key conclusion reached in June 2016 was that the option of continuing to operate the existing mix of facilities was unsustainable. In particular the Joint Use facilities are subject to significant financial risk arising from the potential loss of Education Funding Agency (now the Education and Skills Funding Agency) contribution. ESFA funding covers the cost of the school's and County's contribution to the operation of the three Joint Use sites which amounts to 40% of total operating expenditure. In 2015 this amounted to £255,000. The difficulty for EHC is that the Council cannot let a long term Leisure Management contract for potentially 10+ years if the schools anticipate a withdrawal from the Joint Use Agreements. In these circumstances the Council would potentially face a very large claim for compensation from its contractors.

1.5 The District Council cannot absorb the schools 40% costs under the existing arrangements as the Council would effectively be funding education which could potentially be acting 'ultra vires' i.e. beyond its legal power and authority.

1.6 The facilities operated at Grange Paddocks (East of the District) and Hartham (West of the District) are owned by EHC and are therefore not exposed the financial risks associated with Joint Use sites. They do however require significant capital investment to reduce the deficit to the Council.

1.7 In July 2016 the Executive agreed to explore the future direction of travel for its leisure facilities and the joint use pools in preparation for the contract renewal for the operational management of the sites.

1.8 At its meeting in June 2017, the Overview and Scrutiny Committee received a report from the Leisure Task and Finish Group for the future direction of travel for the Council managed facilities and provided the following recommendations to the Committee:

1.8.1 (A) the Committee considers and offers its views on:

- a. investment and development at Grange Paddocks and Hartham leisure centres
- b. investment and development at Ward Freman Pool
- c. the two options available for Fanshawe Pool and Gym
- d. continuing the operation of Leventhorpe Pool until a time becomes appropriate to consider an exit strategy with the School.

(B) the Committee considers and offers its view on the Vision for Leisure Facilities with a view to have these included in the Physical Activity Strategy;

(C) Members' comments are forwarded to the Executive and Council for consideration; and

(D) the Task and Finish Group is extended to support the development of the leisure service specification in relation to key service policy considerations such as concessionary pricing policy, health and wellbeing and community development.

1.9 The Members of Overview and Scrutiny Committee debated the proposed future direction of travel for Council managed leisure facilities at length and acknowledged that leisure and its contribution to the health and wellbeing of its residents was important to support. Members acknowledged the investment proposed was a large sum of money but that some of its managed facilities specifically Grange Paddocks were not currently meeting the needs of the local population. These problems will be amplified further as a result of Bishop's Stortford North and other proposed housing developments. Concerns were expressed regarding EFA funding which would be provided via the school investment and what could happen if this was withdrawn. Members also referred to the need to consider investment in infrastructure to address the impact of traffic on Rye Street in Bishop's Stortford.

1.10 Members of Overview and Scrutiny Committee were fully supportive of the investment proposal with the exception of option

A in relation to Fanshawe Pool and Gym which they felt they could not support in terms of further investment. They expressed a preference for option B which does not include proposals for long term capital investment for significant development at Fanshawe Pool.

- 1.11 Members endorsed the view that the existing joint use facilities should remain in operation wherever possible until compensating investments had been made at Hartham and Grange Paddocks.
- 1.12 The recommendation also included no long term capital investment for significant development at Leventhorpe Pool and Gym.
- 1.13 The views of Overview and Scrutiny were considered and supported by the Executive on 27 June 2017, and proposals were referred to Council on 18 July 2017 for a decision.

#### Proposals from Overview and Scrutiny to Council -18<sup>th</sup> July 2017

- 1.14 The proposals included no capital investment for significant development in Fanshawe and Leventhorpe Pools and Gyms which created some concern from the public in relation to the future of these facilities. The Executive Member for Health and Well-being proposed an amendment to recommendations which Council agreed to. The recommendations agreed were:
  - 1.14.1 Public consultation and further investigation of the options for Fanshawe Pool and Gym are carried out; and a report is presented in October 2017.
  - 1.14.2 Public consultation and further investigation of the options for Leventhorpe Pool and Gym are carried out; and a report is presented in October 2017.
- 1.15 Funding for Grange Paddocks, Hartham and Ward Freman Leisure Centres were agreed at Council on 18 July 2017.

## 2.0 Report

- 2.1 The public consultation requested at Council on 18 July 2017 went live on 3 August 2017 for 8 weeks. Due to high demand the consultation was extended for a further five days with an ability for residents to email and send hard copy responses. 819 responses were received of which 46% living in the Ware area, 28% from

Sawbridgeworth, 11% from Bishop's Stortford and 10% from Hertford and surrounding areas. The key themes and concerns raised were:

- 2.1.1 Pool Closure
- 2.1.2 Discussions with Schools
- 2.1.3 Funding for Pools
- 2.1.4 Travel to other sites
- 2.1.5 EFA Funding
- 2.1.6 Swimming provision for Primary schools
- 2.1.7 Accessibility for Disabled People
- 2.1.8 Significant Housing growth
- 2.1.9 Compulsory Purchase
- 2.1.10 Ware Swimming Club

The next section of this report considers the concerns raised as part of the consultation.

#### *Consultation - Pool Closure*

- 2.2 It is important to note that the leisure strategy report presented on 18 July 2017 did not refer to the closure of either Leventhorpe Pool and Gym or Fanshawe Pool and Gym. The two facilities do not belong to the Council and therefore it is not in the Council's power to close a building that is not our asset. The reference to an "exit strategy" referred to the Council's management of the School facilities and other opportunities to explore to manage the facilities.

#### *Funding for Pools*

- 2.3 The leisure strategy report presented to Council on 18 July 2017 focussed on the potential impact of capital investment for significant development into the 3 joint use facilities and two Council owned facilities to address a number issues highlighted in para 1.3. It is important to note that there is not an assigned Council budget for the proposals and that these are not essential immediate works to continue the operation of the facilities but a framework to consider for increasing participation, contributing to health and wellbeing and reducing the leisure facility management deficit to the Council in the long term.
- 2.4 The leisure strategy report proposed to seek approval for capital investment for significant development to the sites. In the case of Fanshawe Pool and Gym this was a proposed investment of £1.2m for a redeveloped internal change to the facility including extending the size of the gym and small studio area, refurbishing

changing rooms and retiling and redecorating the pool. This is a significant capital investment amount to consider for an asset that is not owned by the District Council. As the centre is performing well soft market testing suggests that there is a possibility that the market will provide a variant bid to the Council's tendering process to maintain the operation of the facility. This would require flexibility from the School to allow a reconfiguration of curriculum activity to allow more community use. This could mean that the facility continues to operate without funding required from the District Council.

2.5 In relation to Leventhorpe Pool and Gym the capital investment for significant development explored by the leisure task and finish group was for £400k to improve the pool hall and changing areas by refurbishing the changing rooms, redecorating the pool hall and providing an external canopy for viewing. The pool is situated on the same site as the Leventhorpe Leisure Centre, which is also owned by the school and currently run by another provider. Having two separate facilities on the same site does not provide the best return for investment and operational expenditure. Soft marketing testing has suggested that 'packaging' the two facilities together could be more attractive for the market to operate and maintain. This would also require flexibility from the School to allow a reconfiguration of curriculum activity to allow more community use.

2.6 In terms of ongoing funding for these sites the Council is committed to the maintenance and operation of all sites in the medium term through its revenue budget and the contributions from the Schools. Should essential capital works be required for day to day operation of the site, the Council's usual capital funding approval process will apply. Subject to approval and further surveys this could include:

- 2.6.1 Replacing pool circulating pumps
- 2.6.2 Replacing air handling and air conditioning plant to the gym
- 2.6.3 Repairs to the pool lining
- 2.6.4 Maintaining carpets, flooring and changing rooms
- 2.6.5 Maintain hot water supply pumps

2.7 During the consultation period the Council and Chauncy School have discussed the future possibilities of the leisure facility. These are summarised as the following:

2.7.1 The school is prepared to work with the Council and the

Community on a solution that supports the operational management of Fanshawe Pool and Gym

- 2.7.2 Should ESFA funding be withdrawn the School will not be in a position to fund the 40% contribution to the operational management of their facility as there is not a school budget allocated for this.
- 2.7.3 The school is willing to understand the offer from the market through variant bids from the leisure contract tenders, however the school is keen to ensure that the solution involves a relationship with the Council directly.
- 2.7.4 Chauncy School pupils will need to receive free access to the Fanshawe pool facility during curriculum time in any future operation.
- 2.7.5 The school will continue to pay its 40% share of costs as long as the ESFA is available.
- 2.8 The Council also met with Leventhorpe School to discuss the future possibilities of the leisure facility. These are summarised as follows:
  - 2.8.1 The school is prepared to work with the Council and the Community on a solution that supports the operational management of Leventhorpe Pool and Gym.
  - 2.8.2 Should ESFA funding be withdrawn the School will not be in a position to fund the 40% contribution to the operational management of their facility as there is not a school budget allocated for this.
  - 2.8.3 The school is willing to understand the offer from the market through variant bids from the leisure contract tenders. The tender process will only include the Pool and Gym that is currently managed by the Council's contractor.
  - 2.8.4 The School is willing to review their usage during the day to expand the community use hours.
  - 2.8.5 The school will continue to pay its 40% share of costs as long as the ESFA is available.
- 2.9 Based on the discussions with schools and the market Council is



committed to working in partnership to explore ways to maintain the operation of the Pools and Gyms at Leventhorpe and Fanshawe. As mentioned previously it would not be the District Council's decision to close the School facilities, the Council will continue to contribute the 60% of the operational management of the facilities on the proviso that the Schools pay their 40% share. The District Council cannot absorb the schools' 40% costs under the existing arrangements as the Council would effectively be funding education which could potentially be acting 'ultra vires' i.e. beyond its legal power and authority. The Council is asked to note that the operational delivery of Fanshawe and Leventhorpe Pools and Gyms is included in the new leisure contract specification for up to 5 years, subject to each School's ability to contribute 40% of all costs. This will allow the Council to understand costs for a set period of time from the tender submissions with the option of the bidders providing a variant bid.

#### *Travel to other sites*

- 2.10 During the consultation period members of the public were asked what would encourage them to use alternative sites. 175 of people said extended hours, 132 said something different/better range of activities, 123 said more pool lanes and 119 improved public transport. 331 stated 'other' with responses ranging from being able to walk there, to provision being more affordable.
- 2.11 Understanding what could encourage residents to use alternative sites allows the Council to build these considerations into the technical and operating specification of a future contract ensuring that these are safeguarded or provided in alternatives site should a variant bid not be acceptable to a school.

#### *Risk of ESFA funding*

- 2.12 From our discussions with the Schools, we understand that they have not had confirmation of ESFA funding beyond August 2018 to support the operation of their leisure facilities.
- 2.13 In December 2016, it was announced that the funding for exceptional premises such as these joint use facilities will be included in the national funding formula (NFF) for schools which will be introduced for 2018-19. Further consideration and consultation on how the premises factors will operate and be funded, will be undertaken by the ESFA.
- 2.14 The Council raised an enquiry with the ESFA (reference: ENQ-231309-M8V8L1). The response was as follows:

*“We provided the following information on premises factors in paragraph 66 of the national funding formula for schools and high needs policy document.*

*‘We will say more in due course about how we will fund the premises factors in 2019-20 and what our options are for funding them through a ‘hard’ formula in the longer term. We will need to work with local authorities and schools to consider options in detail and consider any interim improvements.’”*

- 2.15 The Council will continue to enquire on the matter with Schools, the County and ESFA. To date, it continues to remain unclear whether Schools will be able to contribute via funds received from the ESFA.

#### *Swimming Provision for Primary Schools*

- 2.16 Concerns have been raised over swimming provision for primary schools. As mentioned previously, to date there is no confirmation of pool closure. However, there is uncertainty over funding from the Schools for their contribution (via ESFA) which could lead to a risk. To ensure we are able to cater for the future possibilities, the investment in Grange Paddocks seeks to increase pool space to accommodate more participants including Schools use and in Hartham the Council will be seeking pragmatic programming solutions to accommodate additional swimming lessons in the future.
- 2.17 Further work would need to be carried out with primary schools to assess their requirements for swimming provision if this was to become an issue. The Council is aware that a number of schools across the District travel via coach to the leisure centres for swimming lessons and we would seek to ensure other schools were provided the opportunity to learn how these schools manage this.

#### *Accessibility for Disabled People*

- 2.18 The Council received 7 responses in relation to access concerns for disabled people. Concerns were raised over driving to other sites and the time it will take to alternative sites. An Equalities Impact Assessment has been carried out for all possible options which is cited in **Essential Reference Paper B**.
- 2.19 Understanding the barriers to using alternative sites allows the Council to build these considerations into marketing, communications plans and programming of activity as well as

areas it may be able to influence change i.e. sustainable travel infrastructure to ensure that any migration to an alternative site was managed appropriately where a variant bid not be acceptable to a school or alternative methods of delivery.

### *Significant Housing Growth*

2.20 During the consultation there were questions raised about the growth of our towns and pool closure. As mentioned previously, the Council is not in a position to close the Pools and Gyms owned by the Schools. The Council recognises that these facilities are valued locally in Ware and Sawbridgeworth and these are sited in the Council's built facilities strategy (a planning document for leisure facilities).

2.21 As mentioned earlier the Council and Schools are willing to work together to maintain the operation of these facilities.

### *Compulsory Purchase*

2.22 At least one response suggested that the Council should take out a compulsory purchase order on the facilities owned by the Schools. At this stage the Council is committed to working with the Schools and a CPO would potentially undermine the partnerships developed. No further investigations have been carried out to explore this further at this time

### *Ware Swimming Club*

2.23 A number of respondents raised concerns over the future of Ware Swimming Club if the Pool closed. As mentioned, a variant bid would seek to continue the operation of the facility that was acceptable to the School. Our understanding is that there is a positive relationship between the School and swimming club and therefore the continuation of bookings from Ware Swimming club in a future model should be feasible. The Council will endeavour to facilitate this and engage with the swimming club to explore this further.

## **3.0 Petitions**

3.1 The Council received two petitions regarding the leisure proposals for Leventhorpe and Fanshawe Pools and Gyms. The Council invited lead petitioners to come in for a meeting to discuss their concerns. To date we have had an acknowledgement of this invitation but no further indication of meeting dates. The Council remains open to a meeting if requested.

3.2 The Council committed to reviewing the comments made from the Save Fanshawe Pool online petition. Consideration was also given to the responses as regards to Leventhorpe School and comments were similar to those raised in the public consultation.

#### **4.0 Other Considerations**

##### *Variant Bids*

4.1 As mentioned in paragraphs 2.3 and 2.4 the Council has had discussions with leisure providers who may consider submitting variant bids as part of the Council's tendering process for the management of Council leisure facilities and the joint use pools. It is only when we go out to tender will we be in a position to understand further the opportunities for Fanshawe and Leventhorpe Pools and Gyms.

##### *Procurement of a new provider*

4.2 Procurement of a new provider will be dependent on the outcome of variants bids and school's desire to go down this route. Currently this option is still open for consideration.

##### *Community Trust/Body*

4.3 The consultation asked for views on the development of a community trust/body whereby the local community works together to form a self-sufficient, not for profit organisation to manage the facilities. To date we are not aware of any groups coming forward. There were concerns raised with this option during the consultation which included that there may be a lack of relevant skill sets and concerns over long term financial viability. Currently this option is still open for consideration.

##### *Sponsorship from local businesses*

4.4 The Council is exploring options with local businesses in relation to possible sponsorship and this option is still open for consideration.

##### *Alternative use of the sites*

4.5 To date neither schools have expressed a desire to use the leisure facilities for alternative use. The key concerns from the public were that this could mean Housing and expansion of school facilities but not health and fitness related for community use.

#### **5.0 Conclusion**

5.1 Following the Council meeting on 18 July 2017, a public

consultation has been carried with key concerns considered in this report. The Council will consistently monitor its obligations under the Equalities Act and its public sector equalities duties with respect to the leisure facilities. In addition, the Council has and will continue to explore options with Schools, the community and the market for the future operation of the leisure centres. The Council recognise that variant bids from the market is a viable option but that the uncertainty of ESFA funding remains a risk until a new contract that is commercially viable is established. Subject to variant bids and exploring other models of delivery the decisions on capital funding for Leventhorpe and Fanshawe Pools and Gyms will be considered post tender evaluation.

## **6.0 Implications/Consultations**

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

### Background Papers

Council report and minutes 18 July 2017:

<http://democracy.eastherts.gov.uk/documents/g2877/Public%20reports%20pack%2018th-Jul-2017%2019.00%20Council.pdf?T=10&J=6>

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## ESSENTIAL REFERENCE PAPER 'A'

### IMPLICATIONS/CONSULTATIONS –

Leisure Strategy - Direction of travel for Leventhorpe and Fanshawe Pools and Gyms

Contribution to the Council's Corporate Priorities/ Objectives:	Priority 1 – Improve the health and wellbeing of our communities  Priority 2 – Enhance the quality of people's lives
Consultation:	Public consultation was carried over August and September 2017
Legal:	<p>The key legal implications to this report relate to the risks surrounding the joint use agreements. Future educational funding for the 40% of operating, repairs and maintenance costs which the schools and County currently pay is uncertain after Aug 2018. Re-negotiation of these agreements will be key in securing the future direction of travel for leisure.</p> <p>Section 149 of the Equality Act says that a public authority must, in the exercise of its functions, have due regard to the need to:-</p> <ul style="list-style-type: none"><li>• eliminate unlawful discrimination</li><li>• advance equality of opportunity between people who share a protected characteristic and those who don't</li><li>• foster or encourage good relations between people who share a protected characteristic and those who don't.</li></ul> <p>Due consideration needs to be given throughout the procurement exercise to ensure that protected groups are not disadvantaged.</p>
Financial:	Subject to variant bids and exploring other models of delivery the decisions on capital funding for Leventhorpe and Fanshawe Pools and Gyms will be considered post tender evaluation.
Human Resource:	N/A

Risk Management:	Exploring all options for the future management of the leisure facilities will ensure that facilities remain in operation.
Health and wellbeing – issues and impacts:	As above.



<b>1 Identify the aims of the policy/service/function and how it is implemented.</b>			
	<b>Key questions</b>	<b>Answers / Notes</b>	<b>Actions required</b>
1.1	Is this an existing or a new policy function?	<p>The Council's leisure service manages the contract with the leisure provider for our two leisure centres and three joint use pools.</p> <p>In our corporate strategic plan we commit ourselves to producing a leisure strategy that would determine the future direction of travel for our two leisure centres and the three joint use pools owned by two local schools and the County.</p> <p>The work undertaken is part of the Council's preparation to retender the leisure contract which is due to end in December 2018. The report that went to full Council 18 July 2017 was in relation to where we propose to allocate capital investment for significant development and the potential to explore all avenues for the joint use facilities with Schools.</p>	
1.2	What is the aim, objective or purpose of the policy/service/function?	<p>The aim of this work was to produce a report and business case that addresses the following key issues:</p> <ul style="list-style-type: none"> <li>a. Ageing facilities</li> <li>b. Deteriorating facilities and capital investment requirements</li> <li>c. Increased population particularly in Bishop's Stortford</li> <li>d. Changing leisure trends resulting in demand for different activities and higher customer expectations</li> <li>e. Demand for existing activities to be delivered in different</li> </ul>	

		<p>ways for example the increasing popularity of all-weather floodlit pitches</p> <p>f. Increased revenue support for ageing facilities and</p> <p>g. Joint Use facilities are subject to significant financial risk arising from the potential loss of Education Funding Agency (EFA) contribution</p> <p>The aims of the proposals are to:</p> <ul style="list-style-type: none"> <li>• Reduce the revenue costs of operating the leisure facilities</li> <li>• Increase participation</li> <li>• Contribute meaningfully to the Council's Health and Wellbeing agenda</li> </ul>	
1.3	What outcomes do you want to achieve with this policy and for whom?	<ul style="list-style-type: none"> <li>• Reduce the revenue costs of operating the leisure facilities</li> <li>• Increase participation</li> <li>• Contribute meaningfully to the Council's Health and Wellbeing agenda</li> </ul>	
1.4	Who is the policy/function being aimed at?	East Herts residents but the catchment population of facilities often reaches across district and county boundaries.	
1.5	Who defines or defined the policy/function?	Members – Council	
1.6	Who implements the policy/function?	The Operations Service will have responsibility for delivering the outcomes of recommendation. The function operational management of the facilities is primarily delivered through a fully devolved leisure management contract. Contract currently held by Sports and Leisure	

		<p>Management Ltd (to 31<sup>st</sup> Dec 2018)</p> <p>A leisure project board has been formed including Exec members and officers to ensure progress is monitored and the outcomes are delivered.</p>	
1.7	How do these outcomes meet or hinder other policies, values or objectives of the public authority	<p>The Council's corporate strategic plan includes an action to 'Produce a leisure strategy to determine future direction and planning for the Council's two leisure centres and the three joint use swimming pools'. This sits within the core priority to: 'Improve the Health and Wellbeing of our communities'</p> <p>The outcomes aim to support the Council medium term financial plan (MTFP) targets. There is a risk that some facilities may continue to require revenue cost to operate the facilities which may impact the (MTFP).</p>	
1.8	What factors or forces are at play that could contribute or detract from the outcomes identified earlier?	<p>Tender submissions from bids may not provide financially viable options.</p> <p>Variants bids may not be acceptable to the Schools or Council</p> <p>Priorities for Chauncy School and Leventhorpe School in their asset and land. Also conditions for a new agreement may not be mutually agreeable.</p> <p>A business sponsorship may not be found.</p> <p>The community may not come forward with proposals to develop a community trust/body.</p>	

1.9	Taking the six strands of equalities is there anything in the function that could discriminate or disadvantage any of these groups?	<p>The purpose of this work is to improve access and inclusion across all community segments and sectors. The leisure centres in their current state are not fit for future purpose.</p> <p>On average 12 out of 1580 people a month at Fanshawe Pool and Gym have self-declared that they are disabled. At Leventhorpe it is an average of 2 out of 620 per month. It is important to note that a number of people including those that 'Pay as you Go' may not declare their disability and therefore the number could be greater. If a solution, through the Council, market, community and school could not be found to maintain the operation of these facilities they could be at risk of closing if the Schools are not able to maintain their operation.</p> <p>There is insufficient data to determine whether the following characteristics may be disadvantaged:      - Gender reassignment, however non-gendered toilet facilities are and will continue to be available.</p> <p>As part of the services specification we would be asking bidders to demonstrate how they will proactively promote activities including their marketing and communications for 'hard to reach' groups in leisure and sport of which some of the protected are included i.e. disabled people.</p>	The Council will include specific requirements in the new specification to ensure facilities are accessible and a marketing and communications plan to help residents find alternatives. Further work will need to be carried out before the decision is addressed post tender evaluation.
1.10	From your perspective, how are the functions actually working in practice for each equalities group?	<p>As far as we aware, we are meeting the needs of the groups</p> <ul style="list-style-type: none"> <li>• Concessionary charges for income related benefits:</li> <li>- Income Support</li> </ul>	Further corporate work needs to be undertaken in relation to the needs of specific groups

		<ul style="list-style-type: none"> <li>- Pension Credit</li> <li>- Income based jobseekers allowance</li> <li>- Housing benefit</li> <li>- Council Tax benefit</li> </ul> <p>Sessions for people with disabilities and access equipment available.</p> <ul style="list-style-type: none"> <li>• Payments options consider age groups who may not have credit/debit cards</li> </ul>	
1.11	How does the local authority interface with other bodies in relation to the implementation of these functions?	<ul style="list-style-type: none"> <li>• Regular contact maintained through the LSP to ensure a joined up approach.</li> <li>• Advice and guidance from Sports England</li> <li>• Working in partnership with County Sports Partnership</li> </ul>	
<b>2</b>	<b>Consideration of available data, research and information</b>		
	<b>Key questions</b>	<b>Answers / Notes</b>	<b>Actions required</b>
2.1	What do you already know about who users of the services?	<p>There is good range information available from our contractors about who uses the leisure centres. This is supplemented by:</p> <ul style="list-style-type: none"> <li>• Feedback from corporate residents surveys.</li> <li>• analysis of service customer enquiries and complaints system</li> <li>• Feedback from a variety or regular customer surveys</li> <li>• Feedback from Active East Herts Forum</li> <li>• Health and Wellbeing indices</li> <li>• Customer profiling using mosaic data.</li> </ul>	

Essential Reference Paper B  
 Equalities Impact Assessment: OPERATIONS SERVICE (Leisure Services)

2.2	What additional information is needed to ensure that all equality groups' needs are taken into account?	Further corporate analysis of further customer service data and residents survey data and Non-user surveys is required to identify specific needs of non-user groups.	East Herts may need to assess more detailed demographic information to ensure that all equalities groups' needs are taken into account. This work will be developed as part the tender documentation.
2.3	How are you going to go about getting the extra information that is required	Specialist assistance from Community Services: Community Projects Officer.  Non user survey currently being commissioned  Club Survey commissioned through Active East Herts	
<b>3</b>	<b>Formal consultation</b>		
	<b>Key questions</b>	<b>Answers / Notes</b>	<b>Actions required</b>
3.1	Who do we need to consult with?	Those already consulted are:  The public through consultation survey.  Sport England ASA Leisure market providers Current provider Herts Disability Sports Hub Two Schools County Council Leisure task and finish group  Further discussions with the school's/County	

		<p>and users of the facilities will continue to take place</p> <p>The Council received two petitions regarding the leisure proposals for Leventhorpe and Fanshawe Pools and Gyms. The Council invited lead petitioners to come in for a meeting to discuss their concerns. To date we have had an acknowledgement of this invitation but no further indication of meeting dates. The Council remains open to a meeting if requested.</p>	
3.2	What method/form of consultation can be used?	<ul style="list-style-type: none"> <li>Survey and meetings.</li> </ul>	
<b>4</b>	<b>Assessment of impact</b>		
	<b>Key questions</b>	<b>Answers / Notes</b>	<b>Actions required</b>
4.1	Have you identified any differential impact and does this adversely affect any groups in the community?	<p>As suggested previously the aim of this work is to improve access and inclusion. There are disabled users in all centres however the centres are not equipped to cater for a wide range of disabilities, significant investment into leisure centres will allow greater access and inclusion. Advice from the Herts Disability Sports Hub has been and will continue to be taken for the tender specification stages.</p> <p>Should a viable option not materialise for the Schools and the Council there may be a concern with some of the protected characteristics groups travelling to alternative sites, the Sport England recommendation of drive times of up to 20mins will apply in the</p>	

		<p>scenario. Residents receiving free travel may be able to make provision to use alternative sites. A train and bus service is available from Ware (Fanshawe Pool and gym) to Hartham Leisure centre and a bus service is available from Sawbridgeworth (Leventhorpe) to Grange Paddocks.</p> <p>The Council will endeavour to manage any concerns through a strong communications plan.</p>	
4.2	If there is an adverse impact can it be avoided, can we make changes, can we lessen it etc?	This project will benefit from the sustainable travel recommendations approved by Executive. In terms of travel, we would insist that facilities provided additional parking as well secure cycle storage.	
4.3	If there is nothing you can do, can the reasons be fairly justified?	The Council is committed to working with the Schools, market and community to ensure operations of the facilities could continue in a viable way.	
<b>5</b>	<b>Consideration of the effect of proposed changes on other groups.</b>		
	<b>Key questions</b>	<b>Answers / Notes</b>	<b>Actions required</b>
5.1	Do any of the changes in relation to the adverse impact have a further adverse affect on any other group?	Carers of disabled people and the elderly could be impacted. The Council will continue to understand these concerns further before a decision is made post tender evaluation.	



<b>INTERNAL PROCESSES FOR THE ORGANISATION</b>			
<b>6</b>	<b>Making a decision in the light of data, alternatives and consultations</b>		
	<b>Key questions</b>	<b>Answers / Notes</b>	<b>Actions required</b>
6.1	The organisations decision making process	Leisure Task and Finish group July 2016 to May 2017 Overview and Scrutiny June 2017 Executive June 2017 Council July 2017 Council October 2017	
<b>7</b>	<b>Monitor in the future and publication of results of such monitoring</b>		
	<b>Key questions</b>	<b>Answers / Notes</b>	<b>Actions required</b>
7.1	What have we found out in completing this EqIA? What can we learn for the future?	Ensure that another EQIA is completed as part of the tender evaluation process for the leisure contract when we have a clearer steer on the bids and the outcome of discussions with the schools, businesses and community.	
7.2	Who will carry out monitoring?	Leisure Services	
7.3	What needs to be monitored?	Impact on protected groups of tender submissions	
7.4	What method(s) of monitoring?	Further EQIA	
7.5	How will the monitoring information be published?	In Executive and Council Reports online.	
<b>8</b>	<b>Publication of results of the impact assessment</b>		

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## EAST HERTS COUNCIL

COUNCIL – 18 OCTOBER 2017

JOINT REPORT BY THE HEAD OF HOUSING AND HEALTH AND  
HEAD OF FINANCE AND PROPERTY

APPROVAL OF PROPERTY INVESTMENT COMPANY BUSINESS  
PLAN AND ALLOCATION OF CAPITAL RESOURCES

WARD(S) AFFECTED: ALL

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### **Purpose/Summary of Report**

- This report presents the first 30 year business plan for council's Property Investment Company. Approval of the plan is sought. This includes approval to sell, at open market value, the council's five existing residential properties – 1 to 3 Old River Lane, Bishop's Stortford, Castle Bungalow, Bishop's Stortford and 6 Water Lane, Hertford. The business plan indicates that the company is viable and creates a steady revenue income stream for the council as well as capital growth, predicated on modest property price inflation over the 30 years of the plan.
- The report seeks approval to make an equity investment in the company which would consist of part of the value of the properties being transferred, not a cash investment.
- The report also seeks approval to extend a loan to the company at commercial rates, thus being state aid compliant. This loan would be offered on an 'interest only' basis over 30 years with the principal repayable at the end of this period unless varied by the council in the meantime.
- Sensitivity testing, the outputs of which are presented in this report, indicates that even should inflation, interest rates and management and repairs increase, while rent inflation remains static and property price inflation reduces, the 30 year business plan is still viable, albeit the council would need to extend an overdraft facility to the company (at commercial interest rates) and revenue and capital growth returns would be lower than in the base case business plan.

- The report also points out that 6 Water Lane, Hertford requires significant investment to bring it up to a lettable standard. Approval is sought for capital resources to carry out these works prior to sale to the Property Investment Company as this is particularly tax efficient. The cost of the works will be reflected in the market value paid by the company.

<b><u>RECOMMENDATIONS FOR COUNCIL:</u> That:</b>	
<b>(A)</b>	<b>the initial 30 year business plan for the Property Investment Company, to be named Millstream Property Investments Limited, presented in Essential Reference Paper B be approved;</b>
<b>(B)</b>	<b>the four Council-owned properties in Bishop's Stortford known as 1 Old River Lane, 2 Old River Lane, 3 Old River Lane and Castle Bungalow, Castle Gardens and the council-owned property in Hertford known as 6 Water Lane be sold to the company at full market value;</b>
<b>(C)</b>	<b>the Council makes an equity investment in the company of £424k;</b>
<b>(D)</b>	<b>the Council makes a loan on commercial terms to the company of £787k;</b>
<b>(E)</b>	<b>authority be delegated to the Head of Finance and Property to increase the equity investment and loan by up to 2.5% should the property valuations at the time of sale be higher than assumed in the business plan, with any increase in excess of 2.5% to be brought back to full Council for consideration;</b>
<b>(F)</b>	<b>authority be delegated to the Head of Finance and Property to determine the terms of the loan to the company with due regard to state aid regulations;</b>
<b>(G)</b>	<b>a capital allocation of £85,000 is made to carry out essential capital works to 6 Water Lane, Hertford to bring it up to a lettable standard prior to disposal to the company, with these costs reflected in the market valuation; and</b>
<b>(H)</b>	<b>the company starts trading once it is incorporated.</b>

## 1.0 Background

1.1 At its meeting of 5 September 2017, the Executive approved the establishment of a property investment company, to be called Millstream Property Investments Limited, which will be wholly owned by East Herts Council. The purpose of establishing this company is to generate revenue and capital income. At the outset, the company will be solely concerned with the purchase and letting of the council's five existing residential properties although the Articles of Association will enable the generation of revenue and capital income through the acquisition of residential properties for private rent and sale and commercial properties for lease and sale.

1.2 This report presents to Council:

- the initial 30 year business plan for Millstream Property Investments Limited, referred to herein as the base case
- the outcome of downside and upside sensitivity testing based on assumptions that are, respectively, less and more favourable than the assumptions used in the base case 30 year business plan
- details of how the business plan will be kept under review and approved on an annual basis by full Council acting as the company's shareholder
- a recommendation to utilise the council's equity in the existing properties to constitute an equity investment in the company of 35% of the properties' value, equating to £424k in the business plan, and extend a loan to the company on commercial terms of 65% of the properties' value, equating to £787k plus a further 2.5% of this amount should the market valuation be higher than the business plan assumes. A valuation in excess of this uplifted figure would trigger a further report to full Council for member consideration
- a recommendation that the Council sells the following five properties to the company at market value:
  - 1 Old River Lane, Bishop's Stortford
  - 2 Old River Lane, Bishop's Stortford

- 3 Old River Lane, Bishop's Stortford
- Castle Bungalow, Castle Gardens, Bishop's Stortford
- 6 Water Lane, Hertford, once works to bring the property up to a lettable standard have been completed by the council in line with recommendation G in this report.

### ***The 30 year business plan***

1.3 As discussed in the Executive report of 5 September 2017 and preceding scrutiny committees, there are a number of ways in which the council will generate **revenue income** through its wholly-owned company. These being:

- **interest on loans to the company.** The Council has the power to make loans; commercial rates will be applied to be compliant with State Aid regulations. This will attract a margin over the council's internal cost of borrowing
- **purchase of services from the Council.** The company may purchase services such financial and legal support from the council at a market rate. The business plan assumes this. Furthermore, given the scale of the proposals, it is assumed that the Council would be able to support these services from within existing staff resources
- **distributions of profit made by the company through dividends.** The company will derive an income from rental income, net of management and maintenance costs, and/or, in time, sales and uplift in the capital value of its assets. These profits, net of tax, would be distributed to the shareholder, that is, the Council.

1.4 From the Council's point of view, of primary importance is the total income accruing to the council from these different sources, rather than the performance of any particular income stream.

1.5 In addition, so long as the value of the properties increases over time, the council will benefit from **capital growth** on the assets held by the company.

- 1.6 **Essential Reference Paper B** presents the detailed 30 year business plan for the company based on the acquisition and rental of the council's five existing residential properties.
- 1.7 **Essential Reference Paper C** presents the key revenue and capital outcomes of the business plan alongside the outcomes of sensitivity testing based on varying a number of key inputs to the model.
- 1.8 The modelling indicates that the company's business plan and the downside (based on more pessimistic assumptions) and upside (based on more optimistic assumptions) scenarios are all viable.

### ***Revenue – base case business plan***

- 1.9 The information in **Essential Reference Paper C** indicates that the 30 year business plan would give the Council a revenue income of £451k in the first ten years of operation, equating to around £45k a year. The revenue income would total £1.54m over the 30 years of the business plan.
- 1.10 Interest payments and income from services purchased from the council would accrue to the Council each year. In most years, the company would distribute its profits as a dividend to the shareholder (the Council). Because the business plan anticipates a planned programme of capital investment every five years from year 15, in some years the company would need to retain its profits to meet these costs.

### ***Revenue – downside scenario***

- 1.11 The downside scenario still provides revenue income to the council. Perhaps surprisingly, although over the first ten years of the business plan, it is projected that the income to the council would be lower than in the base case scenario, over the full 30 years a higher level of revenue income to the Council is projected. This is because the modelling assumes the interest rate applicable to loans made by the council will increase over the lifetime of the business plan, thus affording the council a higher return on its loans. This offsets the fact that the company will not be able to distribute dividends and will need to draw on an overdraft facility from the Council.

## ***Revenue – upside scenario***

1.12 As would be expected, the revenue income to the Council is higher under the upside scenario. Here, the more favourable operating climate boosts profits and the company is able to distribute profits to the shareholder (the Council).

## ***Capital***

1.13 As discussed in previous reports to the Executive and scrutiny committees, the Council will need to provide capital resources to the company in the form of an equity investment and loans at commercial interest rates.

1.14 Trowers and Hamlins and PWC have advised that equity funding of not less than 35% of the company's capital requirement would be in keeping with other wholly owned companies' approaches and market conditions.

1.15 The base case business plan along with the downside and upside scenarios all envisage the same equity investment and long term loan. This is because this funding relates to the company's initial purchase of the properties, the value of which does not vary under any of the scenarios.

1.16 An equity investment by the Council of £424k would be required. This would not be a cash payment, rather, the equity would take the form of part of the value of the properties being sold.

1.17 The remaining £787k to purchase the properties would take the form of a loan from the Council made on commercial terms and secured against the properties.

1.18 The business plan is predicated on the company disposing of the five properties at year 30. Given the assumptions in the business plan, all proceeds of disposal, net of chargeable gains tax, would revert to the Council as the shareholder (in the case of the equity) and as the banker (in the case of payment of the loan principal).

1.19 The model predicts that the Council's £1.21m (combined equity and loan value) would have risen in value by just over £820k to £2.03m in year 30 in the base case. This equates to an internal rate of return of 5.33%. This can be thought of as the average



interest rate the Council earns each year on the capital it has used to fund the company.

- 1.20 Under the downside scenario, the business plan is still able to provide capital growth despite the more pessimistic assumptions. The key difference, however, is that the company would need to have access to an overdraft facility to meet its costs year-on-year. The modelling assumes the Council provides this facility at a commercial interest rate.
- 1.21 Under the downside scenario, it is predicted that the initial value of the assets acquired would appreciate to £1.75m net of taxes due at disposal, representing an internal rate of return of 4.79%. From this capital value, £156k would be needed to repay the overdraft in place at year 30.
- 1.22 The upside scenario is, of course, more favourable. The company does not require an overdraft facility. The asset value at year 30 is predicted to have risen to £2.67m, representing an internal rate of return on the council's capital of 6.52%.

### ***Council's capital position before and after sale of the five properties***

- 1.23 The business plan presented in this report would only see the Council's five existing properties sold to the company. The business plan in its current form does not envisage any further property purchases by the company. Any such decisions will be for the Council (as shareholder) to make in the future.
- 1.24 The capital position of the Council resulting from the property disposal is neutral and the Council's capital resources would remain as liquid as they are now because:
- the value held within the five residential properties can only be accessed by selling the properties or borrowing against them; this is equally true regardless of whether the Council or company owns them;
  - in regard to the £787k loan:
  - the Council would make a loan of £787k to the company
  - the company would immediately use this £787k to buy the properties, that is, it would pay the Council because the Council is the vendor of the properties
  - therefore, in reality, the £787k would remain as cash held by the Council.

## ***Capital requirements – equity and loan***

- 1.25 All figures quoted in this report are based on market value estimates provided by the Council's Property Team at the time of modelling with the addition of a 2% inflation uplift in recognition that the actual disposals are unlikely to occur before 2018, that is, around a year after the Property Team's valuations.
- 1.26 These values will need to be verified at the time of disposal.
- 1.27 There is no reason to believe these subsequent valuations will be significantly higher than the figures used in the business plan, however, to avoid the need to seek further full Council approval of slightly increased figures, the recommendations in this report seek approval of amounts up to 2.5% higher than the amounts assumed in the base case modelling. Should funding in excess of 2.5% above the assumption in the business plan be required, full Council approval will be sought.
- 1.28 This report also seeks approval of a capital allocation for essential works to 6 Water Lane, Hertford. This property is in a poor state of repair rendering it unlettable. Thus, regardless of whether the property is retained by the Council or sold to the company, capital works must be carried. The Property Team has estimated that these works plus fees will cost around £85,000, excluding VAT but including a potential for a 2.5% uplift in the original estimate.
- 1.29 It is assumed in the company's business plan that the Council will have carried out these works prior to disposal. This is reflected in the market value assumed. It is worth noting that PWC have confirmed that it is more advantageous in terms of tax for the Council to carry out the works as the Council can offset the VAT incurred on refurbishment, while the company could not as its income is derived from residential rents which are exempt from VAT.

## ***Review of the company's business plan***

- 1.30 While the 30 year business case is based on robust assumptions, it is, of course, to be expected that various factors, such as the rate of inflation, repairs costs, rent rises and the like, will soon begin to vary from the base case assumptions. The governance arrangements regarding the company and its interactions with the Council (its shareholder) have been designed to ensure full

oversight by members – see **Essential Reference Paper D** for the governance structure approved by the Executive on 5 September 2017.

1.31 The business case will thus be kept under constant review in the following ways:

- the board of directors of the company will monitor the financial position of the company on at least a monthly basis. At its meeting of 5 September 2017, the Executive approved that in the first instance, three officers of the council will be appointed as directors by the Leader of the Council in consultation with the Chief Executive. These officer directors will be appointed prior to registration of the company at Companies House later this year. The Executive also approved that up to three independent directors can be selected in due course by full Council for their relevant expertise and experience
- the directors of the company will report to the Shareholder Advisory Group (consisting of three members) on a quarterly basis, giving full details of performance against the business plan. The Executive delegated authority to the Leader of the Council to nominate these members; this will be done prior to registration of the company
- the business plan will be thoroughly reviewed and recalibrated each year. That is, all the variables will be updated with the impact of the revised figure forecast over the coming 30 years. Full Council, acting as the company's shareholder, will be asked on an annual basis to sign off, or otherwise should they see fit, the updated business plan.

1.32 This approach is enshrined in the Shareholder Agreement that has been drafted. This will be signed by both the council, as shareholder, and the company itself before trading commences.

## **2 Financial matters**

2.1 Section 95 of the Local Government Act 2003 and the associated regulations, Regulation 2 of the Local Government (Best Value Authorities) (Power to Trade) (England) Order 2009, requires a business case to be prepared and approved by the council before a company starts trading. The Executive approved the business

case for the company at its meeting on 5 September 2017. This report covers the detailed business plan for the company and as such fully satisfies the regulations.

- 2.2 Finance officers have been fully involved in the work to prepare the business plan and have liaised closely with the council's external financial consultants for this project, PWC and Savills. The inputs have been informed by advice from Savills, who also suggested sensitivity analysis which is included in this report. PWC have advised on taxation issues, notably VAT, corporation tax and chargeable gains tax. Their advice has been incorporated into the modelling of the business plan.

### **3 Implications/Consultations**

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

#### Background Papers

None

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## ESSENTIAL REFERENCE PAPER 'A'

### IMPLICATIONS/CONSULTATIONS

<p>Contribution to the Council's Corporate Priorities/ Objectives:</p>	<p>Priority 1 – Improve the health and wellbeing of our communities</p> <p>Priority 2 – Enhance the quality of people's lives</p> <p>Priority 3 – Enable a flourishing local economy</p> <p>The report recommends the sale of the council's five existing residential properties to the Property Investment Company and the allocation of the necessary funding to enable this.</p> <p>The provision of good quality housing in all tenures, in this case well-managed and maintained private rented accommodation, plays a crucial role in meeting all three priorities, particularly, enhancing people's lives.</p>
<p>Consultation:</p>	<p>The proposals have been developed internally.</p>
<p>Legal:</p>	<p>Trowers and Hamblins solicitors have provided detailed advice.</p> <p>Section 95 of the Local Government Act 2003 is also of relevance. The associated regulations, Regulation 2 of the Local Government (Best Value Authorities) (Power to Trade) (England) Order 2009, require a business case to be prepared and approved before a company starts trading. This report adds a 30 year business plan to the business case approved by the Executive on 5 September 2017 and thus fulfils the requirements in the regulations.</p>
<p>Financial:</p>	<p>Savills Consultancy has confirmed the sound basis of the business plan model used. In addition, advice from PWC has been used to ensure the appropriate treatment of tax issues has been incorporated into the model.</p> <p>PWC has confirmed that the proposed approach is in line with EU guidance/state aid regulations and the operational metrics adopted by similar local authority owned companies.</p> <p>Approval of the recommendations will enable the company, once registered at Companies House, to</p>

	acquire the council's properties and commence trading.
Human Resource:	<p>There are no TUPE implications.</p> <p>It is envisaged that the company would not employ its own staff during its early stages of operation, and indeed perhaps not unless approval is given in future to expand significantly.</p>
Risk Management:	<p>The overall project group has considered the risks of the project and risk log is regularly reviewed.</p> <p>Detailed financial sensitivity testing has been carried out. The key outputs are included in the report. The sensitivity testing indicates that even with more pessimistic assumptions applied to all business plan modelling, the council would be able to derive revenue income and capital growth by operating the company as proposed.</p>
Health and wellbeing – issues and impacts:	<p>The provision of good quality housing in all tenures, in this case well-managed and maintained private rented accommodation, plays a crucial role in meeting the council's priorities, particularly, enhancing people's lives.</p> <p>Anticipated ancillary community benefits include:</p> <ul style="list-style-type: none"> <li>• providing income to protect existing council services and/or fund emerging priorities</li> <li>• acting as a good private sector landlord, putting increasing pressure on poorer landlords to improve</li> <li>• providing a potential 'last resort' action to tackle poor standards in the private sector and/or remedy empty properties where both informal advice and enforcement have failed</li> <li>• increasing the availability of good quality private rented accommodation for those on short-term placements with local employers</li> <li>• providing good quality commercial premises to encourage business growth should the company expand into commercial property holding in the future.</li> </ul>

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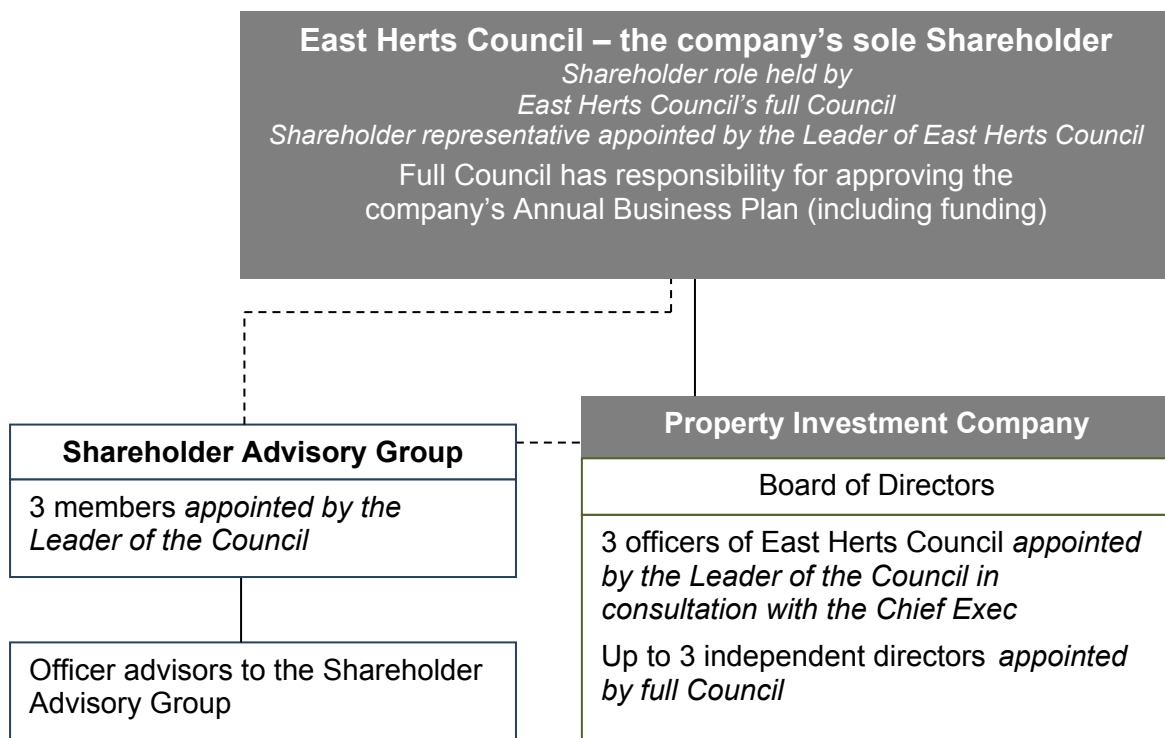
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## Essential Reference Paper D: Company Governance Structure

At its meeting of 5 September 2017, the Executive approved the governance structure presented below. This structure, based on structures adopted by other local authorities with trading companies, affords members maximum oversight of the company's operations and, in its capacity as the company's shareholder, the ability to guide the company's activities.

### Governance structure



The respective roles of the constituent parts will be as follows.

<b>Body</b>	<b>Role</b>
East Herts Council is the sole shareholder	Full Council, when meeting formally, would take decisions reserved for the shareholder in the company's Memorandum and Articles of Association and Shareholder Agreement. Such decisions would include the approval of the company's business plan and funding on an annual basis
Shareholder representative	An individual, whether an elected member or officer of East Herts Council or another person, appointed by the Leader of the Council to represent the Shareholder at general meetings of the company or in other communications with the company if, as a single shareholder, the shareholder decides not to hold general meetings
A shareholder advisory group consisting of three elected members	Appointed by the Leader of the Council, this group would exercise oversight of the company's reports and performance on a regular basis, and provide strategic guidance and advice to full Council when it is exercising its rights and responsibilities as the shareholder
The company's Board of Directors	This body would manage the affairs of the company on a day-to-day basis. In the first instance all directors would be officers of the council, who would not receive any additional remuneration for this role. There is provision that in time up to three additional independent directors may be appointed for their expertise in regard to property management, finance and the like; independent directors would probably require some remuneration

While the company's Board of Directors would manage the company's affairs on a day-to-day basis, the council would have a number of ways in which it could legitimately guide the activity of the company, including:

- as the **shareholder** – appointing and removing directors, signing off the company's annual business plan, signing off any changes to the company's Articles of Association and making any other decisions reserved for the shareholder in the Articles and Shareholder Agreement
- as a **funder** – deciding whether or not to make loans to the company and setting the terms of these loans
- as an **owner of properties and/or land** – making available properties and/or land to the company. Note: the current business case is concerned only with the transfer of the council's existing five residential properties.

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