

MINUTES OF A MEETING OF THE
JOINT MEETING OF OVERVIEW AND
PERFORMANCE, AUDIT AND GOVERNANCE
SCRUTINY COMMITTEES HELD IN THE
COUNCIL CHAMBER, WALLFIELDS,
HERTFORD ON TUESDAY 20 NOVEMBER
2018, AT 7.00 PM

PRESENT: Councillor M Pope (Chairman)
Councillors D Abbott, A Alder, P Ballam,
S Bull, M Casey, K Crofton, G Cutting,
B Deering, I Devonshire, H Drake, J Jones,
M McMullen, D Oldridge, T Page,
L Radford, S Reed, P Ruffles, T Stowe,
N Symonds and J Wyllie

ALSO PRESENT:

Councillors G McAndrew, E Buckmaster,
L Haysey, G Jones, S Rutland-Barsby and
G Williamson

OFFICERS IN ATTENDANCE:

Lorraine Blackburn	- Democratic Services Officer
Isabel Brittain	- Head of Strategic Finance and Property
Mike Edley	- Interim Scrutiny Officer
Jonathan Geall	- Head of Housing and Health
Anjeza SaliAj	- Project Manager
Kevin Steptoe	- Head of Planning

	and Building Control Services
Alison Street	- Finance Business Partner
Alison Stuart	- Head of Legal and Democratic Services
Su Tarran	- Head of Revenues and Benefits Shared Service
Liz Watts	- Chief Executive
Robert Winterton	- Financial Services Manager
Ben Wood	- Head of Communications, Strategy and Policy

ALSO IN ATTENDANCE:

Suresh Patel	- EY
Malcolm Hewines	- Montagu Evans

272 APPOINTMENT OF CHAIRMAN

It was moved by Councillor K Crofton and seconded by Councillor B Deering that Councillor M Pope be appointed Chairman for the meeting. After being put to the meeting and a vote taken, the motion was declared CARRIED.

RESOLVED – that Councillor M Pope be appointed Chairman of the meeting.

273 APOLOGIES

Apologies for absence were submitted on behalf of Councillors M Allen, P Boylan, S Cousins, Mrs D Hollebon, P Moore and M Stevenson.

274 MINUTES

It was moved by Councillor J Wyllie and seconded by Councillor B Deering, that the Minutes of the joint meeting held on 14 February 2017 be confirmed as a correct record and signed by the Chairman. After being put to the meeting and a vote taken, the motion was declared CARRIED.

RESOLVED – that the Minutes of the joint meeting held on 14 February 2017 be confirmed as a correct record and signed by the Chairman.

275 CHAIRMAN'S ANNOUNCEMENTS

The Chairman drew Members' attention to general housekeeping requirements in respect of the fire alarm, unisex toilet and the need to silence all mobile devices for the duration of the meeting. The Chairman also reminded Members of the need to move and second recommendations, other than those for noting.

276 DECLARATIONS OF INTEREST

Although not a pecuniary interest, Councillor J Wyllie declared an interest in Minute 279 - Old River Lane by virtue of the fact that he was a Member of Bishop's Stortford Town Council, the Rhodes Trust and the Old River Lane Theatre Steering Group. Councillors D Abbott, N

Symonds, T Page, G Cutting and H Drake also declared non-pecuniary interests in Minute 279 - Old River Lane by virtue of the fact that they were Members of Bishop's Stortford Town Council and the Rhodes Trust.

277 MEDIUM TERM FINANCIAL PLAN, BUDGET REPORT AND SERVICE PLANS 2019/20

The Head of Strategic Finance and Property submitted a report on the Medium Term Financial Plan, Budget Report and Service Plans 2019/20. The Head provided a summary of the report which aimed to ensure that the budget was robust and able to deliver and sustain the Medium Term Financial Plan and changes in resource allocation.

Members were provided with clarification from Officers on a number of issues, including in summary:

- the pension fund – and the fact that the Council continued to make contributions until further actuarial advice was provided;
- Council tax increase – that the increase of 3.1% in Council Tax would provide additional income of approximately £80k;
- the Budget Gap – and the approach to be taken covering the period up to 2022/23 including additional salary pressures caused by NJC changes and spinal point alignments;
- capping the cost of services for 2019/20 at £14.3M and how this would impact on services;
- how the New Homes Bonus could be used to

support projects such as the Old River Lane project;

- the robustness of projected savings detailed (at Table 8). Assurances were provided that these were very solid;
- the increase in Fees and Charges (Table 10) and its impact on surplus cash;
- budget components and the measures taken to mitigate costs;
- the level of earmarked reserves contributions and whether any additional funding was being added other than 25% from the New Homes Bonus monies. Assurances were provided that the Council's level of reserves were at a comfortable level and would not be used inappropriately;
- the rolling programme used on ICT projects was queried and assurances were provided that £450K was an appropriate level in terms of investing in a state of the art ICT System. The new IT Shared Service Manager would review systems and report back to Members;
- how the new "Clarity Planning" system provided better monitoring of budgets and targets;
- support for the ongoing expansion of Launch Pad into Ware and Hertford;
- the exclusion of Fanshawe Pool from the capital leisure strategy investment. The Head of Strategic

Finance and Property agreed to respond to Members with further information;

- confirmation that the income was predicated on investment in capital schemes;
- clarification of the £50K capital investment in The Wash, Hertford. The Head of Strategic Finance and Property agreed to respond to Members with further information;
- the Walkern Windfall and how this would be spent. This was included in the Capital Receipt Reserves. The Head of Strategic Finance and Property agreed to respond to Members with further information;
- the Chairman queried whether the 10 day target to process housing benefit new claims and was advised that 10 days to process was a reasonable target (depending on the level of activity) but that efforts would always be made to exceed this;
- incentives in relation to E-Taxis and aims to lower emissions;
- the Masterplanning process and the need to encourage developers to build more affordable housing. Members noted that the adoption of the District Plan would provide a range of policies to address this including the National Planning Policy Framework;
- targets for the removal of fly-tipped rubbish and the need to work with partners to address the continuing problem of litter at Birchanger

roundabout;

- the need to ensure that the Council had performance measures and user feedback it could monitor in relation to Digital East Herts;
- the Old River Lane site, working in partnership with Rhodes Trust and the suggestion that Hertford Town Council might be approached for a financial contribution to the capital development planned for Hertford Theatre;
- public conveniences – review of provision and why the service would be referred to Buntingford or Sawbridgeworth. The Head of Strategic Finance and Property undertook to provide a written response to Members; and
- planning applications and targets with which the Council was statutorily obliged to meet in their determination.

Councillor B Deering sought clarification on the issue of the Council's Green Travel Plan and the progress made so far. The Chief Executive provided background to the development and progress of the Green Travel Plan, noting that in the two years that the current plan had been in place, there had been no change in travel behaviour. Officers had therefore taken the decision to consider whether introducing a car parking charge would incentivise people to change their behaviour, and had carried out extensive consultation with staff over a period of six months. She explained that the aim was to incentivise staff not to travel alone or to change their travel habits. The Chief Executive noted that plans were currently underway

to offer incentivised parking spaces at Wallfields for car sharers, with a view to introducing car park charges from April 2019 if travel behaviour had still not changed significantly.

Councillor D Oldridge queried whether Councillors would be asked to pay. The Chief Executive commented that this would be seen as supporting the plan and would make the whole process a lot easier to introduce.

Councillor K Crofton did not support the prospect of charging staff and referred to existing problems of staff recruitment. He queried how the matter had progressed so far without Members being involved. Councillor M Casey also did not support the prospect, adding that it was a bad idea and would impact on staff morale. Councillor P Ballam added that such a proposal would impact on staff and would also impact on residential streets.

The Chief Executive explained that this initiative had been initially proposed by the Members' Sustainable Transport Task and Finish Group which had reported to the Executive in 2017 and she referred to the need for public bodies to set an example to developers in relation to making a case for single car use, which would both reduce congestion and increase air quality – both key aims of the Council.

Councillor J Wyllie commented that staff working in retail already had to pay for car parking and that the Council should not be seen to be giving its staff preferential treatment. Councillor I Devonshire expressed concern about the proposal and did not support a proposal to charge Members to park.

Councillor B Deering stated that it was important to have a

flexible and motivated work force and asked how charging for parking would fit within any reward and benefit policy. The Chief Executive reminded Members that the Council already had an extremely flexible working policy and that many staff already worked from home regularly, subject to the needs of the service. Councillor Deering queried whether the proposal would impact on recruitment.

The Chief Executive explained that a limited number of areas in the Council presented difficulties in recruitment, particularly planning, and noted that this was a national issue due to the shortage of planners. She noted that officers were undertaking a thorough piece of work to assess how to attract people into the Council, including a range of benefits.

Councillor J Jones stated that the Council should be encouraging quality staff to work at East Herts and felt that charging staff was punishment especially to those who lived in rural areas.

Councillor T Page queried how the Council scrutinised the benefits of flexible working. The Chief Executive explained that in her experience, when people worked at home they were often very productive, but that this obviously needed to be considered in line with the needs of the service, and each Head of Service was responsible in deciding what was appropriate for their service.

Councillor D Oldridge noted that he thought the Chief Executive deserved the support of Members by agreeing to pay for their own parking, given the limited use Members made of the car park.

Members supported the recommendations now detailed

and that their comments detailed above, be referred to the Executive. It was moved by Councillor D Oldridge and seconded by Councillor I Devonshire that the recommendations, as detailed, be approved. After being put the meeting and a vote taken, the recommendations were declared CARRIED.

RESOLVED – that the Executive be advised that (A) the draft service plans for 2019/20 (Essential Reference Paper “C”) be supported;

(B) East Herts share of Council Tax be increased by £5 for 2019/20 (Section 2.6);

(C) the updated position on the Medium Term Financial Plan and Budget for 2019/20 including the budget pressures and risks be noted;

(D) the new savings in 2019/20 as shown in Table 9 be supported;

(E) the Capital Programme as set out in Essential Reference Paper “B” be supported;

(F) a 2.5% uplift to the schedule of charges for 2019/20 be supported and that the full Schedule of charges be presented to the Executive;

(G) the Head of Strategic Finance and Property respond to Members with further information on:

- the issue of Fanshawe Poole and its exclusion from the capital programme;
- the £50K capital investment in The Wash, Hertford;
- Walkern Windfall and how this would be spent;

- and
- Public conveniences – review of provision and why the service would be referred to Buntingford or Sawbridgeworth.

278 EXCLUSION OF THE PRESS AND PUBLIC

Councillor J Wyllie moved and Councillor M Casey seconded a motion that, under section 100 (A) (4) of the Local Government Act 1972, the press and public be excluded from the meeting during the discussion of Minute 279 – Old River Lane, Bishop’s Stortford on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the said Act. After being put to the meeting and a vote taken, the motion was declared CARRIED.

RESOLVED – that under Section 100 (A) (4) of the Local Government Act 1972 the press and public be excluded from the meeting during the discussion of Minute 279 (Old River Lane, Bishop’s Stortford) on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the said Act.

279 OLD RIVER LANE, BISHOP'S STORTFORD – UPDATE

The Chief Executive provided Members with a summary timeline of decisions taken regarding the Old River Lane development site and an update on the progress made so far. The Chief Executive explained that Essential Reference Paper “B” referred to an increase in the level of capital investment needed of £28M (from an initial estimate of £20-£25M) which could go up or down depending on the final scheme.

Members debated the report at length and raised a number of queries in relation to:

- capital funding and revenue costs, loan requirements, financing costs, potential funding partners and the impact on the Medium Term Financial Plan (future years); and
- land assembly requirements.

The Old River Lane Draft Heads of Terms (HoT) was debated at length when a number of Members expressed a range of concerns in terms of its content, legal standing and enforceability. Mr Hewines (Montagu Evans) explained that the HoTs would eventually be novated into the final Development Agreement. He provided assurances on a number of points therein and explained that the Development Agreement (DA) was the key document and that this document would be legally binding.

The Chief Executive explained that a final report would be presented to the Executive and then to Council for decision on 5 March 2019. The Chief Executive undertook to provide Members with an email confirming that the Heads of Terms were not legally binding but that the content was important as this would form the basis of the Development Agreement.

Councillor J Jones sought and was provided with an update in terms of the current Judicial Review and its impact on the Old River Lane proposals.

The ORL Project Manager explained the use of Building Information Management technology to explore and

control costs.

In response to a suggestion that Members be given sight of the contract before it was signed, the Chief Executive undertook to provide Members with a formal briefing early next year which would review the content of the Heads of Terms and the Development Agreement. This was supported.

Members supported the recommendations now detailed and that their comments detailed above, be referred to the Executive. It was moved by Councillor B Deering and seconded by Councillor I Devonshire that the recommendations, as detailed, be approved. After being put the meeting and a vote taken, the recommendations were declared CARRIED.

RESOLVED – that the Executive be advised that (A) Members noted the update on the competitive dialogue procurement current underway for a development partner at Old River Lane;

(B) the latest brief for the Arts and Entertainment Centre, Section 3, (Essential Reference Paper “B”), the estimated budget for the centre and the likely funding partners be noted;

(C) the draft Heads of Terms for the Development Agreement on the ORL main Site (Exempt Essential Reference Paper “C”) be noted and Members concerns be forwarded to the Executive;

(D) the final Business Case for the Multi-Storey Car Park and adjoining residential/commercial units at Northgate End (Exempt Essential Reference Paper

“D”) known as “Northgate End Developments”, the estimated capital allocation for the build costs of these developments and the proposal to procure a contractor (Section 5) be noted;

(E) the commencement of construction of the Northgate End Development being conditional upon the following, be noted:

- 1 removal of the challenge to the planning permission granted in July 2018 or a new permission being granted (currently subject to a judicial review);
- 2 capital funding being allocated by Council on 19 December 2018; and
- 3 that the final Heads of Terms for the main ORL site being approved by Council on 5 March 2019 and subsequently signed by the Council and Developer.

(F) the land assembly requirements relating to land owned by Hertfordshire County Council and Bishop’s Stortford Town Council, be noted;

(G) the Chief Executive provide Members with an email confirming that the Heads of Terms were not binding and that a formal briefing for Members be arranged early next year which would review the content of the Heads of Terms and the Development Agreement, prior to its consideration by Council on 5 March 2019.

The meeting closed at 9.15 pm

Chairman

Date