

# Public Document Pack

## **EAST HERTFORDSHIRE DISTRICT COUNCIL**

NOTICE IS HEREBY GIVEN that a meeting of East Hertfordshire District Council will be held as an online meeting on Wednesday 16th December, 2020 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 8<sup>th</sup> Day of December 2020

*James Ellis*  
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 able to join the meeting at their conclusion*

### **AGENDA**

1. Chairman's Announcements

To receive any Chairman's announcements.

2. Apologies for Absence

To receive any Members' apologies for absence.

3. Minutes - 21 October 2020 (Pages 7 - 56)

To approve as a correct record and authorise the Chairman to sign the Minutes of the Council meeting held on 21 October 2020.

4. Declarations of Interest

To receive any Members' declarations of interest.

5. Petitions (Pages 57 - 58)

To receive any petitions.

6. Public Questions

To receive any public questions.

7. Members' questions (Pages 59 - 60)

To receive any Members' questions.

8. Executive Report - 24 November 2020 (Pages 61 - 188)

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

(A) Sustainable Travel Town Bids

(B) Review of Outcomes of the Parking Task and Finish Group

(C) Shared Waste Shared Service Alignment of Commercial Waste and Recycling Services

(D) Hertfordshire Growth Board - Joint Committee proposal

(E) Annual treasury Management review 2019/20

(F) Treasury Management Mid-Year Review 2019/20

9. Council Tax base (Pages 189 - 196)

10. Unreasonable and Persistent Behaviour Policy (Pages 197 - 202)

11. 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.)

### **Public Attendance**

East Herts Council provides for public attendance at its virtual meetings and will livestream and record this meeting. The livestream will be available during the meeting on the East Herts District YouTube channel (available from YouTube and then searching for the channel) or at this link:

<https://www.youtube.com/user/EastHertsDistrict/live>.

If you would like further information, email [democratic.services@eastherts.gov.uk](mailto:democratic.services@eastherts.gov.uk) or call the Council on 01279 655261 and ask to speak to Democratic Services.

## **Accessing the Agenda Pack**

To obtain a copy of the agenda, please note the Council does not generally print agendas, as it now has a paperless policy for meetings. You can view the public version of the agenda for this meeting on the Council's website in the section relating to meetings of Committees. You can also use the ModGov app to access the agenda pack on a mobile device. The app can be downloaded from your usual app store.

Implementing paperless meetings will save East Herts Council approximately £50,000 each year in printing and distribution costs of agenda packs for Councillors and Officers.

You can use the mod.gov app to access, annotate and keep all committee paperwork on your mobile device.

Visit <https://www.eastherts.gov.uk/article/35542/Political-Structure> for details.

MINUTES OF A MEETING OF THE  
COUNCIL HELD IN THE ONLINE MEETING -  
LIVESTREAMED ON WEDNESDAY 21  
OCTOBER 2020, AT 7.00 PM

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PRESENT:

Councillor J Kaye (Chairman).  
Councillors A Alder, D Andrews, T Beckett,  
S Bell, R Buckmaster, R Bolton, P Boylan,  
M Brady, E Buckmaster, J Burmicz, L Corpe,  
K Crofton, A Curtis, G Cutting, B Deering,  
I Devonshire, H Drake, J Dumont,  
R Fernando, J Frecknall, M Goldspink,  
J Goodeve, A Hall, L Haysey, D Hollebon,  
A Huggins, J Jones, I Kemp, G McAndrew,  
M McMullen, S Newton, T Page, M Pope,  
J Ranger, C Redfern, S Reed, C Rowley,  
P Ruffles, S Rutland-Barsby, D Snowdon,  
M Stevenson, T Stowe, N Symonds,  
A Ward-Booth, G Williamson, C Wilson and  
J Wyllie.

OFFICERS IN ATTENDANCE:

Richard Cassidy	- Chief Executive
Rebecca Dobson	- Democratic Services Manager
James Ellis	- Head of Legal and Democratic Services and Monitoring Officer
Jonathan Geall	- Head of Housing and Health
Jess Khanom- Metaman	- Head of Operations

Steven Linnett	- Head of Finance
Peter Mannings	- Democratic Services Officer
Sara Saunders	- Head of Planning and Building Control
Helen Standen	- Deputy Chief Executive

### 193 CHAIRMAN'S ANNOUNCEMENTS

The Chairman welcomed all those attending the meeting online and those observing the livestream. He reminded Members that “show of hands” voting would be via the tools within the online software and that any Members who were participating by telephone would need to speak to say how they vote. He asked whether there were any Members who were attending by telephone.

Councillor Frecknall confirmed he was attending by telephone.

The Chairman then reported on his recent civic duties, including attending a service in St Alban’s Cathedral.

The Chairman referred to the Queen’s Birthday Honours List, and said he was delighted that a number of East Hertfordshire residents had received recognition. All had been invited to attend this meeting, and it gave him great pleasure to welcome to the meeting two recipients, Laura Higgins and Claire Uwins, who were present. He outlined the



achievements for which both had received recognition.

The Chairman said Laura Higgins, from Bishop's Stortford was the National Crime Agency's Head of Strategy and Portfolio within the Digital, Data and Technology team (DDaT). She had been awarded the MBE for her services in enabling the agency to maintain critical operational effectiveness during the Covid-19 pandemic.

Her leadership had ensured that over 3,500 officers were kept safe during lockdown, enabling effective remote working, and assured support and sustainment to the agency's investigative capabilities and services.

Laura Higgins said she was overwhelmed at having been nominated and was incredibly proud to receive this award. She was also very humbled that her contribution had been recognised in this way. She said it was important to her that this recognition was not just of her personally but rather the role the NCA had in protecting the public. This year had been a challenge for everyone and this award was an incredible bright spot in an otherwise difficult time. Having the agency's work and contribution to law enforcement recognised on such a level was something for all her colleagues to be proud of.

The Chairman said Claire Uwins, who had received a BEM for services to her rural community in Much Hadham, had initiated a wonderful project that had seen the village come together during the virus. She had set up a buddy system whereby residents had kept in contact with more isolated members of the

community. Councillor Devonshire had buddied with a 94-year-old lady for whom he did shopping, picked up medicines, posted letters and generally kept an eye on her welfare. The scheme had expanded into the surrounding areas, including Perry Green, Green Tye and Hunsdon.

Claire had also expanded her Sunday Lunch Club which she had run for many years. People could turn up at a local pub for lunch at no cost in a friendly atmosphere.

Claire Uwins addressed the meeting. She said she had felt humbled to have received the honour on behalf of the health centre. She thanked all Members, and in particular the Leader, who had originally suggested to her 10 years ago that she might wish to consider volunteering. She paid tribute to Colin Woodward, who had encouraged her work with Stepping Stones. She said she also wished to thank Councillor Goldspink.

The Chairman then mentioned Tony Eastaugh and Marian Newman who were unable to attend this meeting. He said Tony Eastaugh, from Bishop's Stortford, was a specialist in command and control systems and processes and director of immigration enforcement at the Home Office. He was named a CBE for services to law and order. He had been a commander in London's Metropolitan Police Service since 2009 and before that, as a chief superintendent, was the borough commander for Barking and Dagenham for 21 months.

The Chairman read out a statement received from

Tony Eastaugh, who had said he felt very humbled to have received this honour and saw it as recognition of the crucial and often unseen work played by hardworking civil servants, alongside colleagues in law enforcement and the intelligence services, in keeping the public and country safe.

The Chairman then spoke about Marian Newman, who had received a BEM for services to the beauty industry during Covid-19, and lived in the village of Waterford. Her response to the Covid-19 crisis had been to set up a group on Facebook so nail professionals could come together, sharing concerns and offering support to each other, as the salon industry came to a halt. The British Beauty Council had then asked her to write guidelines for nail professionals returning to work. On release of the guidelines her group extremely quickly became a place the nail industry turned to, to obtain advice and support. Her group now had around 5,000 members and through this platform she had guided an industry that was worried, anxious and concerned about their businesses, their livelihoods and their future.

Members expressed their congratulations to all the District's recipients of the Birthday Honours, with a round of applause.

#### 194 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Bull and Crystall.

195 MINUTES – 22 JULY 2020

Councillor Jones proposed, and Councillor Fernando seconded, a motion that the Minutes of the meeting held on 22 July 2020 be confirmed as a correct record and signed by the Chairman.

The motion to approve the Minutes being put to the meeting, and a vote taken, it was declared CARRIED.

**RESOLVED** – that the Minutes of the meeting held on 22 July 2020 be confirmed as a correct record and signed by the Chairman.

196 DECLARATIONS OF INTEREST

There were no declarations of interest.

197 PUBLIC QUESTIONS

The Chairman invited Chris Ramsden to ask his question.

Chris Ramsden asked the Deputy Leader and Executive Member for Financial Sustainability the following question:

“The Council has been wise to re-examine the current business plans for the impact of Covid and Brexit. If I am not mistaken, the capital budget over the next 4 years is 120M which is a considerable amount of money, and if borrowed at existing interest rates would lead to an annual finance charge of just under

6M which is roughly 40% council tax income. If any of these figures are wrong, I am of course happy to be corrected. In the interests of prudent financial management and Council taxpayer buy in, all business plans should be independently, objectively and transparently reviewed by publishing as much information as possible so that interested Council tax payers are able to assess the position and that they are assured that the plans are robust to future changes, likely to achieve the benefits and planned returns, and that the risks of non-achievement are manageable. In my attempts to achieve this, my brief investigations have encountered a number of issues including entire documents being restricted and missing figures. In order for such a review to occur:

- All business plans currently being re-examined should be published. If there is a need to restrict any content, then they should be published in a way that minimises the restriction to sensitive data only.
- All published business plans should contain figures for Top line (total revenue), broken down into components, the various deductions, and the bottom line (council contribution surplus/subsidy). Various deductions includes figures for direct costs, indirect costs, staff costs, financing costs, and service costs as separate line items.

“The council tax payer (as end customer, ultimate funder and risk taker) requires from the review assurances that:

- there is high confidence that the top and bottom

- line figures are achievable, and that any risks of non-achievement are manageable;
- all assumptions are valid over a time period of at least the duration of the loans;
  - the plans are robust with respect to any future long term Covid consequences and new trends including possible changes to car parking needs, cinema going use, retail shopping habits and EH residents working at home etc.

“Please will the Council:

1. publish the business plans as openly and transparently as possible (along the lines above) in a report to Council;
2. perform an independent open, and objective review that publishes as a report the answer to the question ‘What assurances can the Council give that each business plans is viable and that, for example, an independent hard-nosed business person would invest in each project?’

Councillor Williamson, the Executive Member for Financial Sustainability, gave the following response.

“Thank you for your question Mr Ramsden. Within your question you say you are happy to be corrected if any of the figures you have given are wrong so, if I may, for the public record and to give context to my answer, I do feel it necessary to state the following:

- First, the capital programme as agreed by the Council in January is indeed £120M as you have correctly stated. However, not all of this is being

- used on our major schemes – there is a range of other small and medium sized projects into which we are also making capital investment included in this number, and not all involve bricks and mortar;
- Secondly, there is no need for us to borrow anything close to the full amount as we are starting with considerable capital reserves, and furthermore the business cases include costs of any borrowing required, and still meet the rate of return test;
  - Thirdly, for such borrowing as may be needed, the interest rates on public sector borrowing sourced via the Public Works Loans Board are much less than the 5% you have been working with – depending on the type and term of the loan, rates as of last Friday ranged between 2.2 and 2.73%.
  - Lastly and this is really key, I should also make it clear that once the leisure centres are completed the operator will move from requiring a subsidy to paying money to the Council making a major saving on the revenue account. Similarly Hertford Theatre, once complete, moves from requiring a subsidy to returning a surplus. This means that rather than the schemes being a burden on our Council Tax payers, the improved revenue position actually releases resources which can be used to support the delivery of other Council services. However the key driver behind these projects is not just the financial return, but that we will be providing enhanced facilities for our residents. Due to these non-financial community values there is therefore a key distinction between how a local authority views investing in its projects to the way a private business person would, hard-nosed

or otherwise.

“Nonetheless it is quite right that the business cases for our major projects do undergo appropriate degrees of scrutiny and there are various levels of scrutiny that the Council has in place.

“Various senior officers of the Council are directly involved with the projects and keep a watching brief on viability as each project progresses. Particular among these is our Head of Strategic Finance and Property who acts as what is known as our Section 151 Officer, a post every authority is required to have by law and must be held by a qualified accountant, and he has responsibility for the proper administration of the Council’s financial affairs. In addition he has a statutory responsibility to report in the public interest if the Council is about to, or has incurred unlawful expenditure or is setting an unbalanced budget.

“In terms of being tough and ruthless with costs, arguably local government finance officers are particularly adept – they have assisted local authorities to survive the last decade of decreasing central government funding and in this time out of many hundreds only one council has failed, requiring government intervention. There are also a number of Council Members here with considerable business acumen, who look at and vote on the budget. Indeed it was a call from Members that led to the recent full reviews of the major project business cases to be undertaken, particularly in the light of this changing world we are now living in, as you have alluded to. Therefore you and the public can be assured that the



budget and the major projects business plans have been subject to a rigorous examination by the Section 151 officer and others using a range of scenarios and have proved robust. I can also assure you that the Section 151 officer continues to challenge colleagues and Members on expenditure and risks, as is quite right and proper. The Section 151 officer has also informed me that our external auditors, Ernst and Young, will examine the business cases during the current year's audit to assess their value for money and their effect on the Council's Medium Term Financial Plan.

"Following completion of the reviews, (and I am addressing my colleagues here too) in order to give all Members a full briefing, the Chief Executive is arranging for Members to be invited to an information session at which they will receive a presentation on each business case and Members will have the opportunity to ask searching questions. Many Members of the Council who are hard-nosed business people will, no doubt, bring their skills to bear.

"However in terms of the public or independent scrutiny that you have requested, I am advised by our Section 151 Officer, and our Monitoring Officer who safeguards the Council's legal position, that the major projects business cases cannot be put in the public realm, because they contain information that would prejudice current and future tendering for the works to be carried out. Quite simply, if these business cases were public knowledge then bidders for contracts would know our budgets for construction and for contingencies and then their prices would simply

reflect those budgets. To put it in very formal terms, the information is exempt from publication under Paragraph 8 of Part 1 of Schedule 12a of the Local Government Act 1972, as it contains the amount of any expenditure proposed to be incurred by the authority under any particular contract for the acquisition of property or the supply of goods or services. So whilst I cannot place these business cases into the public domain, I hope that the measures I have outlined reassure you and other council tax payers of East Hertfordshire that the business cases have been subject to full governance and democratic scrutiny and will continue to be so."

The Chairman asked Chris Ramsden whether he wished to ask a supplemental question.

Chris Ramsden asked whether Councillor Williamson would look more thoroughly at what could be published, and whether once tenders had been agreed, more information could be published.

Councillor Williamson said that in accordance with advice of the s.151 Officer and Monitoring Officer he could only publish the information which had been published. Any sensitive material which was not in the public domain would only be published once the data was no longer sensitive.

The Chairman invited Yvonne Estop, a representative of the Bishop's Stortford Climate Change Group, to ask her question.

Yvonne Estop asked the Executive Member for

Planning and Growth the following question.

“The Bishop’s Stortford Climate Change group is very concerned that the planning white paper seriously threatens your policy-making role as Local Planning Authority, and gives unconstrained freedoms to developers. Can you let us know what representations you have made to the government challenging the white paper?”

The Executive Member for Planning and Growth, Councillor Goodeve, responded as follows:

“The Council will be submitting a detailed response to the Planning White Paper. The draft response is currently being considered via the non-key decision route and is available to view on the Council’s website.

“The Council’s final response also will be available to view on the website in due course.”

Yvonne Estop thanked Councillor Goodeve and asked, as a supplemental question, whether the Executive Member would undertake to vigorously pursue the matters raised as representations, and would interrogate the white paper to ensure local authority planning obligations were consistent with the Environment Bill.

Councillor Goodeve referred Yvonne Estop to the Council’s response and said the public could also comment on the white paper.

The Chairman invited Martin Adams to ask his

question.

Martin Adams asked the following question:

"I consider that the published policies Map being presented today is inaccurate because a part of it was not a part of the normal Plan adoption process. I am referring to a change to the village boundary at Millers View, Much Hadham. My research indicates that it was not consulted upon, or presented to Council for adoption. I believe it was added entirely as a staff initiative.

"As per my two letters to Mr Cassidy I consider this to be a significant change, and that it has not been handled in a Democratic fashion. I have repeatedly put forward questions about this change that have never been answered, as per my second letter to Mr Cassidy.

"I would request that this Boundary change is withdrawn by staff because it was drafted after the Plan was adopted. Failing that I would like to see the matter opened up for proper consultation, so that my unanswered questions (as per my second letter) can be considered alongside comments from other interested parties.

"Staff have always dealt with my queries politely and respectfully, but I believe their overall response has been to say 'We're sorry that it happened this way, but we won't consider changing it'.

"I would ask Council to support the request that I make above. This would ensure fairness, consistency of

decision making and ensure proper consultation about Planning Decisions.”

The Leader responded as follows:

“To clarify, Mr Adams’ request does not directly relate to the material within the report before members tonight, this report seeks to make 3 factual amendments to Policy CFLR1 on the policies map in Perry Green and Green Tye. Mr Adams’ request relates to a concern about the Much Hadham village boundary and how the materiality of the boundary could impact upon a planning application at Millers View in Much Hadham – which has been refused and is currently at appeal.

“Mr Adams refers to a change that was made to the Much Hadham village boundary following the District Plan examination. Mr Adams is concerned that the change was made without consultation and does not reflect the built-up area of Much Hadham. Officers have previously advised that the area in question was incorporated into the village boundary to be consistent with Policy VILL1 which notes that village development boundaries are drawn around the main built-up area of the village. As such, the change made to the village boundary at Much Hadham was to incorporate a development that was being built-out at Millers View during the examination period. Once built out this development would clearly form part of the main built-up area of the village and its inclusion ensured that the policies map was consistent with policy VILL1.

“In response to the specific questions that Mr Adams

raises: the Council is required to maintain a policies map, the function of which is to geographically illustrate the application of the policies in the District Plan. The process for updating the policies map differs from the process for adopting a District Plan as the Local Planning Authority is only required to update its policies map to ensure that it is consistent with the adopted District Plan.

“Any changes that are required to be made to the policies map to ensure its consistency during the District Plan examination process are only considered as minor changes. There are no requirements to consult on any minor changes as they do not affect the soundness of the Plan and are not matters considered by a Planning Inspector.

“Officers identified a number of minor changes to assist the public and members during the examination process, some of those minor changes included changes to the policies map – despite the fact there was no requirement to do so. The change to the Much Hadham village boundary was not incorporated into the minor changes table that was presented to members on October 23<sup>rd</sup> 2018 as the aforementioned build-out of the Millers View development was not identified until after the main modifications consultation. However, the change was made to the policies map to ensure that the LPA addressed its responsibility of maintaining a consistent and up-to-date policies map upon adoption of the District Plan.

“Finally, the Council Report on October 23<sup>rd</sup> 2018 is clear that the Council would need to update its policies

map following the adoption of the Plan and the Council did just that.”

The Chairman asked Martin Adams whether he wished to ask a supplemental question.

Martin Adams said there were inconsistencies to the village boundaries, which he had raised on numerous occasions but to which he had not had a satisfactory response. He thanked Councillor Haysey for her answer, but queried why she considered that his house, after 60 years, should be included in the village boundary, when other places which seemed more obviously would be included were not.

Councillor Haysey said the further question was not relevant to the policies maps, but to how the boundaries were determined. That determination was not for full Council to consider, as it was a planning matter.

The Chairman invited Chris Ramsden to ask his question.

Chris Ramsden asked the Deputy Leader and Executive Member for Financial Sustainability the following question:

“The Council has been wise to re-examine the current business plans for the impact of Covid and Brexit. If I am not mistaken, the capital budget over the next 4 years is 120M which is a considerable amount of money, and if borrowed at existing interest rates would lead to an annual finance charge of just under

6M which is roughly 40% council tax income. If any of these figures are wrong, I am of course happy to be corrected. In the interests of prudent financial management and Council taxpayer buy in, all business plans should be independently, objectively and transparently reviewed by publishing as much information as possible so that interested Council tax payers are able to assess the position and that they are assured that the plans are robust to future changes, likely to achieve the benefits and planned returns, and that the risks of non-achievement are manageable. In my attempts to achieve this, my brief investigations have encountered a number of issues including entire documents being restricted and missing figures. In order for such a review to occur:

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budget and the major projects business plans have been subject to a rigorous examination by the Section 151 officer and others using a range of scenarios and have proved robust. I can also assure you that the Section 151 officer continues to challenge colleagues and Members on expenditure and risks, as is quite right and proper. The Section 151 officer has also informed me that our external auditors, Ernst and Young, will examine the business cases during the current year's audit to assess their value for money and their effect on the Council's Medium Term Financial Plan.

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"However in terms of the public or independent scrutiny that you have requested, I am advised by our Section 151 Officer, and our Monitoring Officer who safeguards the Council's legal position, that the major projects business cases cannot be put in the public realm, because they contain information that would prejudice current and future tendering for the works to be carried out. Quite simply, if these business cases were public knowledge then bidders for contracts would know our budgets for construction and for contingencies and then their prices would simply

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The Chairman asked Chris Ramsden whether he wished to ask a supplemental question.

Chris Ramsden asked whether Councillor Williamson would look more thoroughly at what could be published, and whether once tenders had been agreed, more information could be published.

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“The Council will be submitting a detailed response to the Planning White Paper. The draft response is currently being considered via the non-key decision route and is available to view on the Council’s website.

“The Council’s final response also will be available to view on the website in due course.”

Yvonne Estop thanked Councillor Goodeve and asked, as a supplemental question, whether the Executive Member would undertake to vigorously pursue the matters raised as representations, and would interrogate the white paper to ensure local authority planning obligations were consistent with the Environment Bill.

Councillor Goodeve referred Yvonne Estop to the Council’s response and said the public could also comment on the white paper.

The Chairman invited Martin Adams to ask his

question.

Martin Adams asked the following question:

"I consider that the published policies Map being presented today is inaccurate because a part of it was not a part of the normal Plan adoption process. I am referring to a change to the village boundary at Millers View, Much Hadham. My research indicates that it was not consulted upon, or presented to Council for adoption. I believe it was added entirely as a staff initiative.

"As per my two letters to Mr Cassidy I consider this to be a significant change, and that it has not been handled in a Democratic fashion. I have repeatedly put forward questions about this change that have never been answered, as per my second letter to Mr Cassidy.

"I would request that this Boundary change is withdrawn by staff because it was drafted after the Plan was adopted. Failing that I would like to see the matter opened up for proper consultation, so that my unanswered questions (as per my second letter) can be considered alongside comments from other interested parties.

"Staff have always dealt with my queries politely and respectfully, but I believe their overall response has been to say 'We're sorry that it happened this way, but we won't consider changing it'.

"I would ask Council to support the request that I make above. This would ensure fairness, consistency of

decision making and ensure proper consultation about Planning Decisions.”

The Leader responded as follows:

“To clarify, Mr Adams’ request does not directly relate to the material within the report before members tonight, this report seeks to make 3 factual amendments to Policy CFLR1 on the policies map in Perry Green and Green Tye. Mr Adams’ request relates to a concern about the Much Hadham village boundary and how the materiality of the boundary could impact upon a planning application at Millers View in Much Hadham – which has been refused and is currently at appeal.

“Mr Adams refers to a change that was made to the Much Hadham village boundary following the District Plan examination. Mr Adams is concerned that the change was made without consultation and does not reflect the built-up area of Much Hadham. Officers have previously advised that the area in question was incorporated into the village boundary to be consistent with Policy VILL1 which notes that village development boundaries are drawn around the main built-up area of the village. As such, the change made to the village boundary at Much Hadham was to incorporate a development that was being built-out at Millers View during the examination period. Once built out this development would clearly form part of the main built-up area of the village and its inclusion ensured that the policies map was consistent with policy VILL1.

“In response to the specific questions that Mr Adams



raises: the Council is required to maintain a policies map, the function of which is to geographically illustrate the application of the policies in the District Plan. The process for updating the policies map differs from the process for adopting a District Plan as the Local Planning Authority is only required to update its policies map to ensure that it is consistent with the adopted District Plan.

“Any changes that are required to be made to the policies map to ensure its consistency during the District Plan examination process are only considered as minor changes. There are no requirements to consult on any minor changes as they do not affect the soundness of the Plan and are not matters considered by a Planning Inspector.

“Officers identified a number of minor changes to assist the public and members during the examination process, some of those minor changes included changes to the policies map – despite the fact there was no requirement to do so. The change to the Much Hadham village boundary was not incorporated into the minor changes table that was presented to members on October 23<sup>rd</sup> 2018 as the aforementioned build-out of the Millers View development was not identified until after the main modifications consultation. However, the change was made to the policies map to ensure that the LPA addressed its responsibility of maintaining a consistent and up-to-date policies map upon adoption of the District Plan.

“Finally, the Council Report on October 23<sup>rd</sup> 2018 is clear that the Council would need to update its policies

map following the adoption of the Plan and the Council did just that.”

The Chairman asked Martin Adams whether he wished to ask a supplemental question.

Martin Adams said there were inconsistencies to the village boundaries, which he had raised on numerous occasions but to which he had not had a satisfactory response. He thanked Councillor Haysey for her answer, but queried why she considered that his house, after 60 years, should be included in the village boundary, when other places which seemed more obviously would be included were not.

Councillor Haysey said the further question was not relevant to the policies maps, but to how the boundaries were determined. That determination was not for full Council to consider, as it was a planning matter.

## 198 MEMBERS' QUESTIONS

Councillor Ruffles asked the Executive Member for Wellbeing the following question.

“I’m aware that a number other agencies worked with Highways at County trying to ensure that our High Streets and Shopping Centres were able to re-open safely. Could the Executive Member for Wellbeing please explain the role of our East Herts Environmental Health team, and describe any particular challenges they may have faced?”

Councillor E Buckmaster responded as follows:

“The Environmental Health team has been playing a pro-active role supporting local businesses throughout the Covid-19 pandemic. This has included contacting more than 400 local businesses to give detailed, bespoke advice including undertaking advisory visits or phoning or writing to businesses to share information about how to operate safely with regards to both staff and customers alike. This is key way in which the council has sought to ensure business owners and managers are up-to-date on the latest regulations.

“Environmental Health officers have been conducting a significant amount of their duties outside of the council’s normal office hours so as to reach businesses when they are operating. This is particularly the case with cafes, restaurants and pubs. When the 10pm closing time was recently introduced, the team conducted 42 joint visits with the police to local businesses operating in the night time economy on a single Saturday night.

“To date the team have followed up 557 individual reports from the public, members, the police and others about businesses appearing to not be following the guidance properly. The team’s stance whether in response to a report or during a proactive visit is a supportive rather than a punitive one with a four Es approach being adopted to ensure compliance for everyone’s safety; that is, engagement, explanation, encouragement and then finally enforcement, although to date this later approach has not been necessary.

“Support to help local businesses stay afloat at this challenging time has also included the Licensing team speedily setting up a process to licence tables and chairs on the pavement. Being able to serve customers outside can overcome some of the restrictions applicable indoors. Any premises that sell food or drink for consumption either on or off the premises may apply. This is a temporary measure which acts as an alternative to the pavement licences that Hertfordshire County Council has the power to issue. East Herts Council’s licences are time-limited and the fee is less than a third of the cost of a licence issued by the County Council because the measure is expressly about helping businesses while of course, not interfering with the safe use of pavements. To date, the council has issued two pavement licences in Hertford and one in Bishop’s Stortford. ”

Councillor Ruffles thanked Councillor Buckmaster and asked as a supplemental question, what had been happening about Test and Trace.

Councillor Buckmaster responded as follows:

“It is worth noting that on top of this work, since the beginning of October, Environmental Health officers have also been involved with the local test and trace system. If neither the national tracing service nor the County Council can contact someone known to have been in close contact with a person with the virus, the Environmental Health team will pick up the case and try to find a phone number or knock on people’s door if that what it takes. Since the beginning of October,

the team has worked on 44 such cases.

“The level of the workload and fast pace with which new national guidance is issued is challenging. This is continuing with much fresh information needing to be communicated to businesses and the public alike. The small team of officers have worked collaboratively across the county and have re-prioritised their work, often at short notice.”

Councillor Ward-Booth asked Councillor E Buckmaster the following question:

“Could the Executive Member for Wellbeing give Council an update on our Social Prescribing programme? Prior to Covid the service had been referring many hundreds of residents to community activities. How and to what extent could the service operate during the months of lockdown and restricted movement?”

Councillor Buckmaster responded as follows:

“I’m happy to report that East Herts Social Prescribing service has continued to operate throughout the Covid-19 pandemic, providing support over the phone. The number of clients referred to the service during April and May was lower than previously but have since steadily returned to pre-Covid levels.

“In 2019, 254 clients were supported through this service, and 122 so far this year. During lockdown more than 500 residents who had used the service previously were contacted as part of the welfare

checks.

“Telephone support to new and existing clients has been very well received. Many of them are particularly vulnerable to Covid due to age and/or existing conditions, so the Social Prescribing service will continue to support them over the phone until further guidance suggests it is safe to return to face to face support.

“To date, East Herts Social Prescribing Service has used council resources and Hertfordshire County Council funds to focus efforts on the Stort Valley area in the east of the district. However we are currently looking at how to roll out the service more widely and/or combine its work with the county-wide Community Navigators and other similar services provided directly by the County Council and local NHS Clinical Commissioning Group. A further development of Social Prescribing is Healthy Hubs. This was launched using funding from County Public Health before lockdown as two physical locations to support people with advice and healthy lifestyle choices but unfortunately could no longer be held in that way. However I’m pleased to say that this month we have been able to start again but this time virtually or online with a number of partners to help people with their physical and mental wellbeing.”

Councillor Ward-Booth asked, as a supplemental question, whether the Executive Member could provide more information on Healthy Hubs.

Councillor Buckmaster responded as follows.

“In East Herts, this funding is being used for publicity materials and resources for participating partners to provide advice and support sessions and with the existing Social Prescribing service to act as a referral and signing posting route.

“The original plan was for partner organisations, such as Mind in Mid Herts, East Herts Citizens Advice and East Herts CCG among others, to run one-to-one and group sessions at Wallfields, with a satellite offer in Bishop’s Stortford.

“As mentioned work has now been undertaken to move the Healthy Hub to a virtual platform. In September, the Healthy Hub was completely relaunched offering 25+ virtual sessions a month starting in October, including sessions covering mental wellbeing, healthy eating, coping with cancer, support through bereavement and becoming a ‘dementia friend’.

“The Healthy Hub activities are being promoted via our Social Prescribing scheme, the council’s social media, and by the partners delivering the sessions. Uptake for the first sessions has been modest, with only a handful of people signing up, however, this is to be expected given the switch in format. Officers are confident that participation will grow as the scheme becomes more established.

“A rolling programme of virtual sessions, which are free to access, will continue to be delivered every month until face to face sessions are able to resume.

“Finally, I must offer my deepest thanks, not only to our staff who have worked so hard, but also to our members who have demonstrated great resilience, and of course our parishes and community that has stepped up to support vulnerable residents across the District. I know from conversations I have had recently that many, such as BS Operation Community are beginning to gear up again should the need arise.”

Councillor Andrews asked the Leader the following question:

“What steps is the Council taking to lobby central Government for additional funding for local authorities, such as East Herts, to help contribute towards the financial difficulties faced by the impact of the coronavirus pandemic?”

Councillor Haysey responded as follows.

“Let me first of all say that up to 15 October the government has already paid £43.8 million to East Herts Council with a further £9.2 million due but not yet received. The money already received is made up of:

- £41 million for East Herts Businesses - business rates relief, government grants to businesses, discretionary business grant money and support for Bishops Stortford BID
- £0.9 million for increased Local Council Tax support claims, increased Housing Benefit claims and money for discretionary accommodation for



rough sleepers

- £1.8 million in grant to compensate the Council for lost income and also for new burdens

The money to be received is made up of:

- £8.7 million for business rate relief
- £0.192 million for increased housing benefit claims
- £92k for Test and Trace
- £49k for COVID Marshalls
- £71k for discretionary accommodation for rough sleepers

“The government scheme to compensate councils for the loss of income from sales fees and charges requires the Council to absorb the first 5% loss fully, after which the government will compensate 75p for every £1 lost. The rules on the compensation scheme exclude commercial rent losses and any investments but covers income which is transactional between the customer and the council so covers, for example, income from parking charges, theatre tickets, and planning applications. Claims are based on losses against the budget which helps the Council as fees and charges had been increased and thus the income budgets as part of the 2020/21 budget.

“There is still a lot to do and we need a longer term financial security and settlement, but we are grateful to the government for listening to the concerns of local authorities so far.

“This answer will be put on the website shortly tomorrow and further detail will also put onto the

website.

“The Council continues to support the work on the Local Government Association in making the case of additional funding and we talk to our MPs to get the message through to government about funding.”

Councillor Andrews asked, as a supplementary question, what networks and opportunities the Leader had used to get the message across to government about the burdens local authorities were facing.

Councillor Haysey responded as follows.

“It is important we all recognise that local authorities have worked very hard in stating to Government the requirement for additional funding. The Leaders of HCC and the district and borough councils have been meeting, since March, initially once a week, and now once every two weeks, and we have conversations with the Ministerial Office every two weeks. The Local Government Association (LGA) has been very strong in lobbying the Government. “The Leader of the County Council is the Chairman of the County Councils Network, and has close contacts with Ministers. I am the Chairman of the East of England LGA and we are working on a regional basis to make sure the Government is very clear what challenges they face.”

On being invited to ask her question, Councillor Goldspink said whilst she had submitted to the Executive Member for Financial Sustainability the following question, it had been partly answered in his response to the public question asked by Mr Ramsden.

Her initial question had been:

“Will the Executive Member for Financial Sustainability commit to publicising the latest report on the financial viability of the Council’s Capital Projects, and will he also publish the business cases for the projects and make them all easily available to members of the public?”

Councillor Goldspink said she had been disappointed in the response given earlier in the meeting. Therefore, as the first part of her question had already been answered, she would move straight to her supplementary question. She said she was disappointed that this response had indicated that the project board reports could not be published as unredacted documents, so when would the reports be published and when would the briefing take place?

Councillor Williamson said he understood that the provisional date for the briefing was 11 November. In terms of when the reports were to be placed in the public domain, such publication would only be at such time as any sensitive information was no longer sensitive. That would only be possible once all contracts for the projects had been placed, so it was difficult to confirm a timescale.

At the invitation of the Chairman, Councillor Goldspink asked a further supplementary question.

She asked when Members would be able to view the reports, would this be before the briefing or at the briefing?

Councillor Williamson said he would seek confirmation about that point, and let Councillor Goldspink know as soon as practical.

Councillor Goldspink then asked her second question on notice, which she put to the Executive Member for Planning and Growth, as follows:

“Why did the Executive Member for Planning and Growth decide to take a Non-Key Decision on this Council’s response to the Consultation on the Government’s White Paper on changes to the Planning System, rather than bringing it to Full Council for open, public discussion?”

Councillor Goodeve said it had not been possible to draft the response to the white paper in time to meet the committee cycle deadlines for reporting to the recent meeting of Council. This approach had been followed on previous occasions in relation to Government consultations where the timescales had not dovetailed with the committee cycle deadlines.

Councillor Goodeve added that the Council’s proposed response was, however, available for the public to view on the Council’s website. As the timings had not allowed for including the response on the Council agenda, a Members’ briefing had been held on 15 October to ensure Members were briefed on the Council’s response and that they had an opportunity to ask questions.

Councillor Goodeve said it should also be noted that

the consultation was open to everyone to respond to and the Government is keen to hear from a wide range of interested parties from across the public and private sectors, as well as from the general public.

Councillor Goldspink asked, as a supplemental, why, when the draft responses were available over a week ago, could the report not have been brought to full Council tonight, to debate it in the public domain. She said there were flaws in the document, and it would have been good to demonstrate to residents of East Herts that the Council was responding in a robust manner. She asked whether Councillor Goodeve shared her disappointment that such an opportunity had been lost, due to the response being dealt with away from the public gaze as a non-key decision.

Councillor Goodeve said she did not share that view at all. The matter had been in the public domain and had had substantial public attention, including from professional bodies. The document was available on the Council's website, and the response would not be submitted until later in the month.

Councillor Corpe asked the Executive Member for Environmental Sustainability the following question:

"On 11th February 2020, the Executive received the recommendations of the Task and Finish Group on Parking. Among its recommendations was a suggestion to change the threshold for eligibility for Restricted Parking Zones (RPZ), which would alleviate many parking issues faced by residents in our wards. I can personally say that All Saints Ward would greatly

benefit from such a change in position. The Executive asked officers to bring a further report setting out cost implications. I recall that Officers stated informally that such a report would take some 6-8 weeks to produce.

We are now eight months down the line, and no update on this item has come forward. The pandemic of course has changed priorities, but also exacerbated parking challenges, so the changes in policy are needed now more than ever. Can the Executive Member for Environmental Sustainability please comment on when we might expect the council to adopt the recommendations of the Task and Finish Group, and change the policy on RPZ eligibility?"

Councillor Graham McAndrew responded as follows.

"Officers have been extremely busy responding to the impact of COVID-19, however an update report will be presented at the Executive meeting on 24 November 2020. As stated in the February meeting, the recommendations will be presented in the context of financial impact which has changed significantly since the beginning of the year. Receiving the report in November will be timely in light of the medium term financial plan and preparing next year's budget."

Councillor Corpe asked, as a supplemental question, whether the recommendations regarding the RPZ could be dealt with individually rather than all together, so that some could be taken forward.

Councillor McAndrew said no specific approach to the recommendations had yet been determined, and the

report would take such matters forward.

The Chairman said the 15 minutes allotted for Members' questions had been exceeded, so no time remained for the next two questions. The responses to all questions, including those which had not been answered due to lack of time, would be published on the website.

199 EXECUTIVE REPORT - 1 SEPTEMBER 2020

The Leader presented a report on the matters considered at the meeting of the Executive on 1 September 2020. She said that meeting seemed a long time ago now, as a significant focus on measures to tackle Covid-19 was continuing for all local authorities. She congratulated the recipients of the Queen's Birthday Honours. They had demonstrated a real sense of looking after their community and were a credit to society and to this District.

Councillor Haysey referred to the recommendation in the Executive report regarding the updated safeguarding policy, which had been submitted for Council's approval with no amendments made by the Executive.

*Minute 199 refers to the item for recommendation.*

199 REVISED SAFEGUARDING POLICY

The Executive Member for Neighbourhoods said he was delighted to propose this item. The guidance reflected national guidance and now included

additional areas such as management of VIP visits and safer recruitment. The item had been supported by the Executive with no amendments.

Councillor Curtis seconded the proposal.

Councillor Goldspink said the Liberal Democrat Group were happy to support the proposals, which were comprehensive.

A motion to support the recommendation having been proposed and seconded, after being put to the meeting and a vote taken, it was declared CARRIED.

**RESOLVED** – to adopt the updated Safeguarding Policy, as set out at appendix A in the report to the Executive on 1 September 2020.

200 EXECUTIVE REPORT - 6 OCTOBER 2020

The Leader presented a report setting out recommendations to the Council made by the Executive at its meeting on 6 October 2020.

*Minutes 200, 201, 202 and 203 refer to the four items on which recommendations were made.*

200 EAST HERTS DISTRICT PLAN – AMENDMENTS TO POLICIES MAP

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Councillor Haysey presented the recommendation which was referred to in the Executive report of 6 October 2020, regarding amendment of inaccuracies in



the adopted East Hertfordshire District Plan Policies Map.

Councillor Devonshire, as the Ward Member for the area affected, proposed that the recommendation in the Executive report (at Minute 199 above) be supported.

Councillor Goodeve seconded the proposal.

Councillor Goldspink said the Liberal Democrat Group were happy to support the motion.

The motion to support the recommendation having been put to the meeting, and a vote taken, was declared CARRIED.

**RESOLVED** - that the amendments at Appendix B to the report be noted and approved to form part of the adopted East Herts District Plan 2018 Policies Map.

## 200 POLICY FOR ENFORCING STANDARDS FOR PRIVATE SECTOR LANDLORDS

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The Executive Member for Neighbourhoods proposed the recommendation made by the Executive, as referred to in the Executive report of 6 October 2020, in respect of new housing standards enforcement powers. The measures, which had been developed with other local authorities, would help improve housing standards and would provide for civil penalties to be imposed in a consistent way. He

proposed a motion to support the recommendation.

Councillor Symonds said these measures had been anticipated for a considerable time. She seconded the motion.

Councillor Goldspink said the Liberal Democrat Group supported the policy, but she questioned what would happen to tenants affected by banning orders. She asked whether a small amendment could be made to ensure the Council confirmed it would be alert to the needs of tenants.

Councillor Redfern supported Councillor Goldspink's comments.

Councillor Boylan said he took note of the point raised, but that there was no need for an amendment, as Officers would take all due consideration required in applying the policies.

The motion to support the proposal having been proposed and seconded, it was put to the meeting. Upon a vote being taken, it was declared CARRIED.

**RESOLVED** – that the following policies relating to housing standards enforcement, using powers introduced in the Housing and Planning Act 2016 be adopted, as set out in Appendix C to the report submitted to the Executive on 6 October 2020:

- (1) Issuing of civil penalties;
- (2) Applications for rent repayment orders;

- (3) Applications for banning orders; and
- (4) Use of the Rogue Landlords and Property Agents Database.

200 COUNCIL TAX REDUCTION SCHEME 2021/22

The Executive Member for Financial Sustainability proposed a motion to support the recommendation of the Executive to Council on continuation of the Local Council Tax Support Scheme for 2021/22. He said the arrangement helped the most financially vulnerable citizens in the District, and he was pleased to recommend that it should continue unchanged.

Councillor Kemp seconded the motion.

Councillor Goldspink confirmed her Group's support for this item.

On being put to the meeting, and a vote taken, the motion was declared CARRIED.

**RESOLVED** - to continue the current local Council Tax Support Scheme for 2021/22.

200 IN PRINCIPLE AGREEMENT TO USE OF CPO POWERS TO ACQUIRE LAND TO IMPLEMENT GILSTON AREA DEVELOPMENT INFRASTRUCTURE REQUIREMENTS

The Leader presented the recommendation from the Executive on in principle agreement to use compulsory purchase order powers to secure land for the delivery of transport infrastructure in the Gilston Area allocation in the East Hertfordshire District plan. The

powers would only be required if agreement with landowners could not be negotiated. She proposed a motion to support the recommendation.

Councillor E Buckmaster seconded the proposal.

Councillor Goldspink said her Group supported this proposal.

On being put to the meeting, and a vote taken, the motion was declared CARRIED.

**RESOLVED** – that (a), in principle, (and subject to Harlow District Council resolving to follow the same course of action) the Council be prepared to use powers available to it under section 226(1)(a) of the Town and Country Planning Act 1990 to compulsorily purchase land in the Gilston area, as generally shown on the plans at Appendix 1 to the report to the Executive on 6 October 2020, to enable the construction of transport infrastructure to support the delivery of the Gilston Area allocation in the East Herts District Plan (The Gilston Area Allocation) and the achievement of the wider strategic planning benefits referred to in the report; and

(b) to note that Officers will undertake the work needed to prepare for a possible Compulsory Purchase Order (CPO) together with the associated documentation and, if necessary, will bring a further report back to the Executive and Council seeking authority to make a CPO.

201 APPOINTMENT OF S.151 OFFICER

The Chief Executive submitted a report seeking confirmation of the appointment of Steven Linnett as the Council's section 151 Officer.

Councillor Andrews proposed a motion to support the recommendation in the report.

Councillor Bolton said she was delighted that Steven Linnett was on board, and seconded the motion.

Councillor Goldspink said she was very happy to support the motion.

On being put to the meeting, and a vote taken, the motion to support the recommendation was declared CARRIED.

**RESOLVED** – that the appointment of Steven Linnett as the Council's Chief Financial Officer and Section 151 Officer be approved.

202 REPORT OF URGENT KEY DECISION TAKEN BY THE LEADER  
- SLM REQUEST FOR FINANCIAL SUPPORT

The Executive Member for Financial Sustainability said the report before Members was for noting, in that an urgent key decision had been taken in August 2020, in relation to a request for financial support from the company operating the leisure centres in the District,

Sports and Leisure Management Ltd (SLM Ltd). The decision had been taken with the consent of the Chairman of the Overview and Scrutiny Committee, in accordance with the urgency process. As the decision was outside the budget and policy framework, it was now required to be reported to Council. However, as an update on this item, he said SLM Ltd had applied for Covid business support and no longer required the loan from the Council.

Councillor Goldspink asked that urgent decisions be reported to all Members at the time they were taken, in addition to being subsequently reported to Council.

The Democratic Services Manager confirmed that urgent key decisions were notified by email direct to Members when they were taken, but they could also be publicised in the Members' Information Bulletin.

The report was noted.

The Chairman said this was the final meeting at East Herts Council for the Democratic Services Manager, and on behalf of all Members, he thanked her and wished her well.

The Chairman reminded all Members that the next meeting on 16 December was traditionally an occasion when Members wore festive jumpers, upon making a donation to the Chairman's charities. He said this year he would ask that Members donate to the Isabel Hospice direct.

The meeting closed at 8.36 pm

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

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COUNCIL – 16 December 2020

## PETITIONS

**A petition has been received from Change.Org. The lead petitioners, Mr. Calvin Horner and Mrs Elif Toker-Turnalar, have 3 minutes to address Council to present the following e-petition:**

We, the undersigned, being residents of Bishop's Stortford and the local area, do call upon East Herts District Council to:

- 1) Halt the development generally known as Old River Lane (ORL), and
- 2) Publish the business case for ORL, and
- 3) Organize a Full Public Consultation, to be run over several weeks, with the Residents and Businesses in Bishop's Stortford, in order to ascertain the community's views on the whole ORL scheme.

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COUNCIL – 16 DECEMBER 2020

## **MEMBERS' QUESTIONS**

### **Question 1**

#### **Cllr Ben Crystall to ask Cllr Graham McAndrew, Executive Member for Environmental Sustainability:**

More than a year after declaring a climate motion, East Herts Council still has no visible message on its website giving residents advice on measures they can adopt to reduce their carbon footprint.

Given that East Herts Council plays a leading role as influencer in the district, and the fact that adding a page of guidance on the council website would have minimal cost implications, isn't the Executive Member for Environmental Sustainability concerned that East Herts Council is missing out a simple but crucial step in providing its residents with actionable guidance on cutting their own, and the district's, carbon emissions?

### **Question 2**

#### **Cllr Norma Symonds to ask Cllr Peter Boylan, Executive Member for Neighbourhoods:**

I am very concerned about the impact that Covid 19 may have on our homeless in the District. Losing your home often through no fault of your own, and at any time in your life is totally devastating. What is East Herts Council doing to support families and individuals at this very challenging time?

### **Question 3**

#### **Cllr Ian Devonshire to ask Cllr Geoffrey Williamson, Deputy Leader and Executive Member for Financial Sustainability:**

The Hospitality Sector throughout this country is suffering badly from the economic effects due to the restrictions being imposed to protect the public from Covid-19. Can the Executive Member please tell us how this Authority is helping to support the hospitality sector, including hotels, bed and breakfast and leisure accommodation, who have been under some form of restriction since March of this year.

### **Question 4**

#### **Cllr Mione Goldspink to ask Cllr Jan Goodeve, Executive Member for Planning and Growth:**

Is it true, as was reported recently in a local newspaper, that the Builders of the new houses on the Old Goods Yard Site in Bishop's Stortford, have abandoned the Carbon Dioxide reduction prediction of 24%, and have now settled on a tiny 3.2% reduction? The original prediction was included in the overall Planning Application for the site, which was granted with conditions. A revised prediction, for 3.2%, was submitted in 2019. I believe that this has not yet been approved by the Council, but, the building works are none the less going ahead. Can the Executive Member please tell me what level of CO2 reduction has been accepted, and is it compatible with this Council's stated ambition of making the whole of the district Carbon Neutral by 2030?

## East Herts Council Report

### Council

**Date of Meeting:** 16 December 2020

**Report by:** Councillor Linda Haysey, Leader of the Council

**Report title:** Executive Report - 24 November 2020

**Ward(s) affected:** All

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### Summary

- This report details the recommendations to Council made by the Executive at its meeting on 24 November 2020.

### 1.0 Items considered and recommended to Council

1.1 Since the last Council meeting, the Executive met on 24 November 2020. At that meeting the Executive considered and supported a number of recommendations for Council on the following items:

- 1.1.1 Sustainable Travel Town Bids
- 1.1.2 Review of Outcomes of the Parking Task and Finish Group
- 1.1.3 Shared Waste Shared Service Alignment of Commercial Waste and Recycling Services
- 1.1.4 Hertfordshire Growth Board Joint Committee proposal
- 1.1.5 Annual Treasury Management Review 2019/20
- 1.1.6 2020/21 Mid-Year Treasury Management Update

1.2 This report sets out the recommendations for the above items, which were referred with no change. The full reports, may be viewed at [Executive 24 November 2020](#)

- 1.3 The Minutes of the meeting are attached as **Appendix A**.
- 1.4 This report excludes items also considered by the Executive where those reports are separate agenda items on the Council agenda, due to changes required following their submission to the Executive.

## **2.0 Sustainable Travel Town Bids**

- 2.1 The Executive considered a report seeking support to the aspirations within the Hertfordshire County Council's Transport Plan 4 (LTP4) and the principles relating to the conditions for Sustainable Travel Town.

### **RECOMMENDATIONS TO COUNCIL:**

- (a) **That East Herts Council supports in principle the aspirations of LTP4 and the Sustainable Travel Town Criteria; and**
- (b) **East Herts Council supports in principle towns wishing to submit bids for Sustainable Travel Town Status.**

## **3.0 Review of Outcomes of the Parking Task and Finish Group**

- 3.1 The Executive considered a report on the outcome of work of the Parking Task and Finish Group in the context of the Medium Term Financial Plan.

### **RECOMMENDATION TO COUNCIL:**

- (a) **That the amendment in the Residential Parking Zone Policy as described in paragraph 2.24 and Appendix be adopted.**

## **4.0 Shared Waste Shared Service - Alignment of Commercial Waste and Recycling Services**

- 4.1 The Executive considered a report which explained what

efficiencies could be achieved within the shared waste service by aligning elements of waste and recycling services with North Hertfordshire District Council (NHDC) in particular in relation to pricing for services whereby the contract pricing allows this.

**RECOMMENDATION TO COUNCIL:**

- (a) That the Executive endorses the delegation of decision making for setting the fees and charging regarding waste services, as set out in this report, to the Head of Strategic Finance and Property in consultation with the Executive Member for Environment Sustainability, through the Shared Service Waste Partnership Board, and to refer this decision to Council.**

**5.0 Hertfordshire Growth Board – Joint Committee proposal**

- 5.1 The Executive considered a report on a proposal to establish the Hertfordshire Growth Board and Hertfordshire Growth Board Scrutiny Committee as formal joint committees under the Local Government act 2000 and to set out the actions required to do this.

**RECOMMENDATIONS TO COUNCIL:**

- (a) That it endorses the establishment of the Hertfordshire Growth Board Joint Committee and Hertfordshire Growth Board Scrutiny Joint Committee (to hold their inaugural meetings in January/February 2021 and then HGB Scrutiny aligned to confirmation of securing Government funding in 2021) and that the council becomes a member of both.**
- b) That Council adopts the Growth Board Integrated Governance Framework into its own constitutional framework.**
- c) That Council nominates a member and substitute member**

**as the council's representative on the Hertfordshire Growth Board Scrutiny Joint Committee (note that nominees must not be members of the Executive).**

- g) That Council notes that, subject to approval of Recommendation (a), the Leader is nominated as the council's representative on the Hertfordshire Growth Board Joint Committee with delegated authority to appoint a substitute representative as required.**

## **6.0 Annual treasury Management review 2019/20**

- 6.1 The Executive considered the Council's treasury management activities for 2019/20 including the prudential indicators and which identified the associated impact on the 2020/21 Treasury Management Strategy.

### **RECOMMENDATION TO COUNCIL:**

- (a) Council approve the Annual Treasury Management Review 2019./20**

## **7.0 Treasury Management Mid-Year Review 2019/20**

- 7.1 The Executive considered the Council's Treasury Management activities for the first 56 months of 2020/21 financial year including the prudential indicators.

### **RECOMMENDATIONS TO COUNCIL:**

- (a) the Treasury Management Mid-Year Review 2019/20 be approved**
- (b) the revised Prudential Indicators as shown in Appendix A (columns, entitled revised estimates, highlighted 'green' within tables) be approved.**
- (c) increase in the counter party limit, from £20m to £30m, for**



**the National Westminster Bank be approved.**

## **8.0 Executive Decisions**

8.1 Other matters determined by the Executive are detailed in the Minutes of the meeting, included for information at **Appendix A** to this report.

## **9.0 Background papers, appendices and other relevant material**

9.1 **Appendix A** – Minutes of the Executive on 24 November 2020. Appendices B - G are appendices supporting the reports to the Executive on 24 November.

### **Contact Member**

Councillor Linda Haysey – Leader of the Council.

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### **Contact Officer**

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MINUTES OF A MEETING OF THE  
EXECUTIVE HELD AS A VIRTUAL MEETING  
ON TUESDAY 24 NOVEMBER 2020, AT 7.00  
PM

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PRESENT: Councillor L Haysey (Chairman/Leader)  
Councillors P Boylan, E Buckmaster,  
G Cutting, J Goodeve, G McAndrew,  
S Rutland-Barsby and G Williamson.

ALSO PRESENT:

Councillors R Bolton, M Brady, B Crystall,  
H Drake, M Goldspink, M McMullen,  
T Page, M Pope, C Redfern, P Ruffles,  
J Wyllie and S Newton.

OFFICERS IN ATTENDANCE:

Lorraine Blackburn	- Scrutiny Officer
Richard Cassidy	- Chief Executive
Helen Standen	- Deputy Chief Executive
James Ellis	- Head of Legal and Democratic Services and Monitoring Officer
Chloe Hipwood	- Service Manager - Waste, Recycling and Street Cleaning
Jess Khanom-Metaman	- Head of Operations
Karen Page	- Planning Officer

Sara Saunders	- Head of Planning and Building Control
Steven Linnett	- Head of Strategic Finance and Property

#### 245 APOLOGIES

There were no apologies for absence.

#### 246 LEADER'S ANNOUNCEMENTS

The Leader welcomed all to the meeting including those who were watching via YouTube.

She explained that the legislative arrangements under the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 came into force on Saturday 4 April 2020 enabled councils to hold remote committee meetings during the Covid-19 pandemic period. This was to ensure local authorities could conduct business during this current public health emergency. This meeting of the Executive was being held remotely under these regulations, via the Zoom application and is being recorded and live streamed on YouTube.

The Leader referred to Covid-19 the fact that it was still with us and that on 26 November 2020 the Government would be announcing what tier Hertfordshire county would fall into. She stressed that

everyone needed to obey the rules of keeping distance, and wearing face coverings otherwise there would be a major surge in some areas and across the country. She said that we want to keep the population safe.

The Leader said that the agenda contained some very interesting papers which were necessary for the Council to move forward on.

247 MINUTES - 6 OCTOBER 2020

The Leader proposed, and Councillor Rutland-Barsby seconded a motion that the Minutes of the meeting held on 6 October 2020 be approved as a correct record and be signed by the Leader. The motion, on being put to the meeting and a vote taken, was declared CARRIED.

**RESOLVED** – that the Minutes of the meeting held on 6 October 2020 be approved as a correct record and signed by the Leader.

248 DECLARATIONS OF INTEREST

The Leader declared an interest in Agenda item 11 European Regional Development Fund (ERDF) Programme – Launchpad 2) by virtue of the fact that she chaired the European Structure Fund of which the ERDF was a part. It was noted that the Leader would be placed in a virtual “break out room” during consideration of the item which would be presented by Councillor Goodeve.

## 249 SUSTAINABLE TRAVEL TOWN BIDS

The Executive Member for Sustainability submitted a report which set out the Council's aspirations within Hertfordshire County Council's Local Transport Plan 4 (LTP4) and the principles relating to the conditions for achieving Sustainable Travel Town status. The Executive Member said that the Council championed sustainability and that it would influence and encourage others to be more environmentally sustainable. He referred to the criteria developed by HCC which was being introduced to support travel towns sustainability.

The Executive Member said that meeting the criteria would be challenging. He said that the principles fitted those of this Council and that he would be recommending to full Council that East Herts supported the aspirations of the LTP4 and the Sustainable Travel Town criteria and would support towns who wished to submit bids to achieve this status.

The Leader said that the report set out our aspirations and that the Council would support towns who wished to do this as a way forward as it supported the Council's commitment to the "green" agenda.

Councillor Goldspink queried the authority of "Shaping Stortford" to submit a bid on Bishop's Stortford behalf, and whether this committee reported to East Herts Council. She felt that it should report to Overview and Scrutiny Committee. Councillor McAndrew explained the group's composition. The Deputy Chief Executive

further expanded on this information including the remit of the group. She explained that any entity could submit a sustainability travel bid. She said that the minutes and any other documents of their meeting were transparent and were publically available and on their website. The Leader asked that the Member be provided with a link to the "Shaping Stortford" website Minutes.

Councillor Crystall said that of the three towns only Bishop's Stortford Town was directly supported by East Herts in the report. He queried whether Officers had looked at the three towns and whether the Council should support any of the other towns to help them achieve travel town sustainability status? The Executive Member for Sustainability explained that 10 applications had been submitted, three from East Herts, none had gone through the District Council. He said the first week of December would determine who had been successful but for those who had not been successful, HCC would work with the applicants to get them further along to match the criteria.

Councillor Buckmaster said that he did not feel that it was necessary to show preferential support as this was inherent within the principle and recommendation.

Councillor McAndrew then proposed and Councillor Goodeve seconded a motion to support the recommendations in the report. On being put to the meeting and a vote taken, the motion was declared CARRIED.

**RESOLVED** – to recommend to Council that (A)

East Herts Council supports in principle, the aspirations of the LTP4 and the Sustainable Travel Town criteria; and

(B)East Herts supports, in principle, towns wishing to submit bids for Sustainable Travel Town Status.

## 250 REVIEW OF OUTCOMES OF THE PARKING TASK AND FINISH GROUP

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The Executive Member for Environmental Sustainability submitted a report on the outcome of the work of the Parking Task and Finish group in the context of the Medium Term Financial Plan.

Councillor McAndrew provided a summary of the background to the report in terms of the establishment and remit of the Task and Finish Group and that the Executive had last considered the matter on 11 February 2020. At that meeting the Executive agreed a further recommendation, that authority be delegated to the Head of Operations in consultation with the Chairman of Overview and Scrutiny Committee and Chairman of the Parking Task and Finish Group and the Executive Member, to assess the full viability of the recommendations and bring a further report to the Executive setting out the cost implications. He said that work had been carried out to consider the cost implications in the context of the corporate plan, but that the Council had been impacted by Covid-19 both economically and in terms of parking behavior particularly, in relation to long stay parking.



The Head of Operations explained that the report before Members had taken a pragmatic approach to ensure that the Council did not invest too much money too soon and that this would be monitored. She added that the amendment to the Residential Parking Zone would be recommended to Council for adoption and a handful of items would be deferred as soon as Officers could establish what parking looked like on a long term basis.

Councillor Drake explained that decisions had to be made around the categorisation of the Task and Finish Group's aspirations in terms of the budget and Covid-19 and those issues needed to be future proofed.

The Leader suggested that the recommendations be taken separately as A, B, C, D and E. Councillor McAndrew then proposed and Councillor Boylan seconded a motion to support the recommendations in the report. On being put to the meeting and a vote taken, the motion was declared CARRIED.

**RESOLVED** – that (A) the group recommendations be received and considered.

**(B) To approve the cessation of the following recommendations within the Parking Task and Finish group report:**

- a. Recommendation 3: improve the accessibility and availability of short stay parking including an increase to the number of limited waiting, free bays where possible,

throughout the town.

- b. Recommendation 10: Support Watton at Stone Parish Council in lobbying for an increase in the number of parking spaces in the station car park.
- c. Recommendation 17: The Council to challenge station car park operators to reduce their charges to reflect closer to the all-day charge in East Herts Town Centre station car parks.

**(C) To approve the following recommendations for deferral:**

- a. Recommendations 1: Design and implement measures to encourage rail commuters to park in station car parks
- b. Recommendation 16: Revise the designation of Council owned car parks

**(D) To note that the following recommendations will be incorporated in service plans for officers to monitor, reporting periodically to the portfolio holder for parking:**

- a. Recommendation 2: Revise the designation of Council owned car parks
- b. Recommendation 6: Review Blue Badge provision in Council-owned car parks
- c. Recommendation 9: Implement a permit parking scheme for Town Centre workers
- d. Recommendation 11: Lobby for improved

cycle parking facilities and improved public transport

- e. Recommendation 13: Establish EV charging bays in EHDC car parks
- f. Recommendation 15: Implementing and lobbying for sustainability improvements including solar canopies, on-street EV charging and car clubs.

**RESOLVED** – to recommend to Council

(E) The amendment in the Residential Parking Zone Policy as described in Paragraph 2.24 and Appendix A for adoption.

The Leader thanked the Task and Finish Group for their efforts in moving this matter forward.

## 251 SHARED WASTE SERVICE – ALIGNMENT OF COMMERCIAL WASTE AND RECYCLING SERVICES

The Executive Member for Environmental Sustainability submitted a report which sought to create efficiencies within the shared waste service aligning elements of waste and recycling services with North Hertfordshire District Council (NHDC) in particular, in relation to pricing for services whereby the contract pricing allowed this. Councillor McAndrew outlined the background around the development of the shared waste service commenting that there was an alignment of policies in relation to collection services but not in relation to administrative functions and charging.

There being no comments, Councillor McAndrew proposed and Councillor Haysey seconded a motion supporting the recommendations in the report. On being put to the meeting and a vote taken, the motion was declared CARRIED.

**RESOLVED** - that (A) the alignment in pricing and a common pricing structure for the shared waste service, for residual commercial and chargeable household waste; within the 2020-21 financial year be agreed, including the introduction of charges for recyclable commercial and recyclable chargeable household waste in line with existing shared waste service charging; within the 2020-21 financial year;

(B) a new pricing structure for chargeable household bulky waste collections; within the 2020-21 financial year be agreed;

(C) the introduction of event waste management charges to align procedures in the shared service; within the 2020-21 financial year be agreed;

(D) the introduction of new procedures for the management of fly-tipping, residual waste and recycling at flats to align procedures and charging within the shared service; within the 2020-21 financial year be agreed;

**RESOLVED** – to recommend to Council

(E) decision making for setting the fees and charging regarding waste services, as set out in this report, be delegated to the Head of Strategic Finance and Property in consultation with the Executive Member for Environment Sustainability, through the Shared Service Waste Partnership Board be agreed as endorsed by the Executive.

## 252 GARDEN WASTE SERVICE - POLICY

The Executive Member for Environmental Sustainability submitted a report which sought to approve the key policies, principles and service standards for the charged garden waste service which was approved by Council on 29 January 2020 as part of the Council's Medium Term Financial Plan which identified that an income of £400,000 could be achieved for 2021.

Councillor McAndrew said that the coronavirus had had a significant impact on the Council's budget and there was a greater challenge to balance the budget and to provide statutory services and services to those who needed them. The report set out a proposed approach as a basis for consultation before the matter was considered by Council in January 2021. He explained that charging for garden waste which was currently free, would be a difficult decision but collection of garden waste was a non-statutory function.

Councillor McAndrew said that a charged service would enable the Council to provide a service to residents who needed it and not charge those residents who did not need the service, such as those

living in flats. He explained that many Local Authorities throughout the country charged for the collection of garden waste including the Council's Hertfordshire neighbours. He asked Members to approve the key principles of the scheme out outlined in the report, for the purpose of consultation, prior to a decision on implementation by Council.

There being no comments, Councillor McAndrew proposed and Councillor Rutland-Barsby seconded a motion supporting the recommendation in the report. On being put to the meeting and a vote taken, the motion was declared CARRIED.

**RESOLVED** – that the key principles of a chargeable garden waste scheme as highlighted in paragraph 1 for the purpose of public consultation be approved, prior to a decision on implementation by Council.

## 253 GILSTON AREA COMMUNITY ENGAGEMENT STRATEGY

The Leader of the Council submitted a report which sought agreement for the Gilston Area Community Engagement Strategy and for this to be a material consideration in future planning matters associated with the development of the Gilston Area. The strategy would be published alongside other planning guidance documents that supported implementation of the District Plan. The Leader said that this would become one of a suite of documents to be used in the Gilston Planning applications going forward and also the Garden Town.

The Leader said that it was extremely important to engage with all residents, ages and demographics including those who live here and those who may come to live in Gilston. She referred to the close collaborative working with groups and organisations including Parish Councils on such matters.

Councillor Buckmaster agreed that it was a very important paper. He referred to page 104 and GA1 of the District Plan and the development of Village Master Plans and said that a Strategic Landscaping Master Plan had been development for future consideration. He explained the private arrangement between developers and local authorities in relation to Section 106 Agreements guided by community engagement. He concluded by adding that it was important that the document recognised the timing element of the engagement processes and consultations which needed to be planned carefully.

The Leader proposed and Councillor Buckmaster seconded a motion supporting the recommendation in the report. On being put to the meeting and a vote taken, the motion was declared CARRIED.

**RESOLVED** – that (A) the Gilston Area Community Engagement Strategy be approved as a material consideration in the production of planning policy/guidance documents and the processing of planning applications associated with the Gilston Area; and

(B) the Gilston Area Community Engagement Strategy be published alongside the other

planning guidance documents, that support implementation of the District Plan.

254 HERTFORDSHIRE GROWTH BOARD

The Leader of the Council submitted a report on proposals to establish the Hertfordshire Growth Board and Hertfordshire Growth Board Scrutiny Committee as formal joint committees under the Local Government Act 1972 and Local Government Act 2000 and to set out the actions required.

The Leader referred to a briefing given on 11 November 2020 to all Members by the Chairman of the Growth Board, Patsy Dell which Members had found very interesting. She said that it had been in existence for a couple of years and comprised the 11 Leaders of the Hertfordshire Authorities who worked very well together. The aim of the Board was to make sure that growth now and in the future was “smart growth” and “good and well, co-ordinated growth” and that the projects to be submitted for funding to the Government would be important to all residents. The Leader explained that we now needed to ensure transparency and good governance of the growth board and that this report was the first step in the process to set up under Sections 101 (LGA 1972) joint committees.

The Leader said that the HGB had many projects at the moment for submission when funding became available.

There being no comments, the Leader proposed and



Councillor Goodeve seconded a motion supporting the recommendation in the report. On being put to the meeting and a vote taken, the motion was declared CARRIED.

**RESOLVED** –that (A) the content of the report and attached joint cover report at Appendix A: “Hertfordshire Growth Board Integrated Governance Framework” be noted;

(B) the Executive agrees to recommend to Council endorsement of the establishment of the Hertfordshire Growth Board Joint Committee and Hertfordshire Growth Board Scrutiny Joint Committee as Joint Committees;

(C) the Leader be nominated as the Council’s representative on the Hertfordshire Growth Board Joint Committee, should Council endorse the establishment of the joint committee and the council’s membership, with delegated authority to appoint a substitute representative as required.

**RESOLVED** – to recommend to Council that:

(D) it endorses the establishment of the Hertfordshire Growth Board Joint Committee and Hertfordshire Growth Board Scrutiny Joint Committee (to hold their inaugural meetings in January/February 2021 and then HGB Scrutiny aligned to confirmation of securing Government funding in 2021) and that the council becomes a member of both.

(E) adopts the Growth Board Integrated Governance Framework into its own constitutional framework.

(F) nominates a member and substitute member as the Council's representative on the Hertfordshire Growth Board Scrutiny Joint Committee (note that nominees must not be members of the Executive) and

(G) to note that, subject to approval of Recommendation (d), the Leader is nominated as the council's representative on the Hertfordshire Growth Board Joint Committee with delegated authority to appoint a substitute representative as required.

255 EUROPEAN REGIONAL DEVELOPMENT FUND (ERDF)  
PROGRAMME - LAUNCHPAD 2

The Executive Member for Planning and Growth submitted a report seeking approval to move ahead with a project following approval of ERDF Funding in February 2019.

The Leader, having already Declared an Interest earlier in the meeting by virtue of the fact that she was Chair of the European Structure Fund was placed in a virtual "breakout room" during consideration of the item which was presented by Councillor Goodeve.

Councillor Goodeve said that that the ERDF funding had been secured from the Ministry of Housing

Communities and Local Government for a three year project, to support and expand Launchpad in Bishop's Stortford and Ware and local businesses. She thanked Officers for their roles in moving this along.

Councillor Redfern asked whether this funding would still be available after the UK left Europe. Councillor Goodeve explained that the Council would have funding for three years.

Councillor Goodeve proposed and Councillor Buckmaster seconded a motion supporting the recommendation in the report. On being put to the meeting and a vote taken, the motion was declared CARRIED.

**RESOLVED** – that, subject to the outcome of a procurement process for awarding a contract for business support, the ERDF-supported Launchpad 2 project proceeds.

The Leader re-joined the main meeting at 19:45

256 BUDGET 2021/22 AND MEDIUM TERM FINANCIAL PLAN  
2021 – 2024 PROPOSALS

The Executive Member for Financial Sustainability submitted a report setting out the Budget for 2021/22 and Medium Term Financial Plan 2021/24.

Councillor Williamson explained that the preparatory work had commenced and that the Council had a sizeable gap in its budgets despite the financial sustainability measures which had been introduced.

He explained that the gap next year was £1M, the same again for following year and a further £2M for 2023/24. Councillor Williamson said that by the time the Council reached 2023 the Council's net revenue budget will need to be net £4M lower than it is now.

It was noted that Leadership Team had been tasked to review net costs to meet the reduction targets. These proposals were set out in Appendix A of the report. It was noted that savings proposed, exceeded the amount which the Council needed to save for the next two years. Appendix B set out the Executive's initial views on what might be taken forward which still left a gap of £200K this year and a significant gap for 2023/24. Leadership Team was proposing to carry out further work in relation to the Medium Term Financial Strategy to assist in further targeting of reductions in net cost such as how the Council could adapt to different ways of working, following the impact of Covid-19.

Councillor Williamson referred to the approach taken in relation to the Council's capital projects as a project total all in one year and then rolled forward and the problems this approach had with loan and financing arrangements. He said that the capital programme would now be presented as a rolling 5 year programme reflecting phasing over those five years and the financing costs being reflected in the revenue account.

Councillor Williamson referred to the Council's approach to Council Tax and the Government's expectation that should be raised by a maximum of £5

on a Band D household which would provide the Council with £310K this year and next year. The gap would not be bridged unless the Council does the same again, next year and the following. It was noted that no comments were received when the matter was considered by Audit and Governance Committee.

Councillor Redfern was concerned about savings proposed and the assumptions in relation to Hertford Theatre i.e. an increased return of £410K. She felt that this had not been sufficiently justified in her view and that there had been no justification for the uplift of footfall. She asked if the impact of new evening parking charges had been considered.

Councillor Buckmaster said that business case reviews had been undertaken on all the capital projects and the Executive was satisfied all the capital projects going forward would be viable. He said that Hertford Theatre was subsidised and that the Council improving facilities there would offer more opportunities. Councillor Buckmaster did not believe that we needed to be pessimistic or that people would not want to socialise after Covid-19 adding that the Council was going from a position of subsidy to a breakeven. He was confident that it will be successful and contribute to the local economy.

Councillor Williamson said that many of Councillor Redfern's comments related to budgets for 2022 onwards and those impacts would be monitored, as things moved forward.

The Leader said that she felt there was cynicism that

cinemas would not come back. She said that as the first vaccine was announced the share prices for Cineworld had “shot through the roof” because people wanted to go to the cinema. She referred to the fact that Netflix wanted to launch the new James Bond film and offered the promoters £300M but their offer was turned down because the promoters of that film believed that when the time was right people would go back to the cinema. She believed that the cinema still had a bright future.

The Leader said that ten years ago Hertford Theatre was in her portfolio and there was discussion about whether to change this from Castle Hall to Hertford Theatre which was later considered at a Scrutiny Committee. Shortly after, the crash happened and the Council had invested over £1M to refurbish it. She was pleased that it had taken off, showing many events including first releases and pantomimes. The Leader said that Hertford Theatre was seen as a great place to go and to look forward to this when it reopened in 2023.

Councillor Redfern commented that the Council did not have the reserves it historically had and was concerned about future borrowing which would make a difference to Council Tax payers. She urged the Executive to think more before committing the Council to such a large expenditure over the next five years.

Councillor Buckmaster said that the project would benefit residents as it would move from a subsidy to making a return and this would impact positively on the finances of the Council. Councillor Williamson

supported this viewpoint.

Councillor Williamson proposed and the Leader seconded a motion supporting the recommendations in the report. On being put to the meeting and a vote taken, the motion was declared CARRIED.

**RESOLVED** – that (A) confirm the savings proposals, after consideration of the comments from Audit and Governance Committee, to be taken forward, subject to detailed impact assessments and accepting that some may need to be reconsidered in the light of the current pandemic;

(B) Agree, as guidance to officers, that the budget proposals should be based on a Council Tax increase of £5, general inflation assumption of up to 1% and that the provision for the national pay award will be up to 2%;

(C) Endorse the production of a phased capital programme over 5 years to better reflect actual phasing of delivery and more realistic revenue impacts of capital financing; and

(D) Endorse the additional programme of work to transform the Council and place it on a financially sustainable footing as set out in paragraph 4.7.

257 QUARTERLY CORPORATE BUDGET MONITOR – QUARTER 2  
SEPTEMBER

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The Executive Member for Financial Sustainability submitted a report summarising the financial monitoring for the Council 2020/21 as at 30 September 2020. He said it was a time of considerable uncertainty throughout the lockdown, with many of the Councils funding streams affected badly. He explained that as a result of Government Grant support and funding, the impact was much less than previously envisaged. It was now predicted that the net revenue budget overspend would be £168K. He added that overspends and underspends by service, were set out in the report (these figures were net of Government funding).

He summarised the position in relation to the Council's Capital Projects of £70.499M which had been re-profiled of which £20.224M was estimated to be carried forward to future years.

There being no comments, Councillor Williamson proposed and Councillors Boylan seconded a motion supporting the recommendations in the report. On being put to the meeting and a vote taken, the motion was declared CARRIED.

**RESOLVED** – that (A) that the net revenue budget 2020/21 forecast overspend at the end of quarter 2 has been contained at £168k be welcomed; and

(B) the revised capital budget for 2020/21 of £70.499m, of which £20.224m is estimated to be



carried forward to future years be endorsed.

258 2019/20 TREASURY MANAGEMENT OUTTURN

The Executive Member for Financial Sustainability submitted a report which reviewed the Council's treasury management activities for 2019/20 including the prudential indicators and identified the associated impact on the 2020/21 treasury management strategy.

There being no comments, Councillor Williamson proposed and Councillor Rutland-Barsby seconded a motion supporting the recommendations in the report. On being put to the meeting and a vote taken, the motion was declared CARRIED.

**RESOLVED** – to recommend to Council, that Annual Treasury Management Review 2019/20 be approved.

259 2020/21 MID-YEAR TREASURY MANAGEMENT UPDATE REPORT

The Executive Member for Financial Sustainability submitted a report which reviewed the Council's treasury management activity for first six months of 2020/21 financial year, including the prudential indicators. He added that references to 2019/20 should be 2020/21

Appendix A contained the review and Members were being asked to recommend this to Council. He explained that the recommendation to increase the counter party limited from £20M to £30M was brought

on by the receipt of a large sum of Government funding for Covid-19 related business support grants which had briefly exceeded the current limits.

There being no comments, Councillor Williamson proposed and Councillor Buckmaster seconded a motion supporting the recommendations in the report. On being put to the meeting and a vote taken, the motion was declared CARRIED.

**RESOLVED** – that the Executive recommends to Council (A) the approval of the Treasury Management Mid-Year Review 2019/20;

(B) the revised Prudential Indicators as shown in Appendix A (*columns, entitled revised estimates, highlighted 'green' within tables*); and

(C) increase the counter party limit, from £20m to £30m, for the National Westminster Bank.

## 260 UPDATE FROM OVERVIEW AND SCRUTINY COMMITTEE

Councillor Wyllie, the Chairman of the Overview and Scrutiny Committee referred Members to the report which he had submitted which highlighted only one recommendation for Members' considerations. He said that he would be happy to answer any questions.

There being no questions, the Leader thanked the Councillor Wyllie for his report and thanked him for the courtesy shown to both her and the Chief Executive at the last meeting when they gave a presentation on Covid-19.

261 UPDATE FROM AUDIT AND GOVERNANCE COMMITTEE

Councillor Pope, the Chairman of the Audit and Governance Committee provided an oral update report following the last meeting. A written report could not be submitted as the Committee had not met when the agenda was dispatched. He said that the Committee had received reports on the following matters and provided an update on Audit and Governance Members' comments in relation to:

- Section 106 -
- Strategic Risk Register 2019 – 20
- Quarterly Corporate Budget Monitor – Quarter 2
- Annual Treasury Management review
- Treasury Management Mid-Year Review
- Budget and MTFP 21-24 proposals

There being no questions, the Leader thanked Councillor Pope for attending the meeting.

The meeting closed at 8.14 pm

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

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## **Appendix A**

### **Requirements for Districts / Boroughs to Enable Sustainable Travel Towns**

District / borough councils will be required to sign up to fully delivering / supporting the following actions in order that a sustainable travel town in their area can be considered for entry into the programme:

#### **Parking Measures**

- To ensure that there is no free parking in town centres.
- To ensure that there is no net gain in parking spaces both on-street and in off-street facilities.
- To demonstrate how existing parking restrictions will be enforced, and to support the implementation of new restrictions where these will make conditions more attractive for pedestrians, cyclists or buses.

#### **Planning**

- To deliver car-free development wherever possible, and to reduce parking standards in all other new developments where it can be clearly demonstrated that car-free cannot be delivered.
- To ensure that new housing and employment developments have high quality walking and cycling routes to existing facilities such as shops and health centres.
- To ensure that new housing and employment developments make full provision to accommodate bus services.
- To enable the delivery of park and ride facilities where appropriate.

## **Highway Measures**

- Support the re-allocation of road space away from the private car to enable measures such as bus lanes, cycle lanes, high-occupancy vehicle (HOV) lanes and wider footways to be delivered.
- Support trials of road closures (part-time or full-time) and the subsequent permanent implementation where trials are successful.
- Support the implementation of bus priority measures such as bus lanes and priority at traffic lights.
- Support the delivery of new cycle routes and other cycling infrastructure, including in town centres.
- Support the adjustment of signal-controlled crossings to give greater time to pedestrians and cyclists.
- To provide or enable high quality signing and other wayfinding infrastructure, including trials of electronic wayfinding tools.

## **Other Measures**

- To commit to the use of S.106 and CIL (Community Infrastructure Levy) receipts to help deliver the sustainable travel town measures.
- To bid for other funding streams open to districts / boroughs which could be used to fund sustainable travel town measures.
- To provide or enable additional seating in town centre locations and on key routes to trip attractors.
- To use district / borough resources (e.g. websites and publications) to support the promotion of active travel campaigns.

- To support the use of new technology to influence travel behaviours (for the positive encouragement of sustainable transport and/or the discouragement of single-occupancy car travel).
- To give a high priority to the cleaning of footways and the public realm.

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## HERTFORD TOWN COUNCIL

County Councillor Derrick Ashley  
Executive Member for Growth, Infrastructure, Planning and Economy  
Members Support  
Postal Point CHO147  
Hertfordshire County Council  
County Hall  
Pegs Lane  
Hertford SG13 8DN

11<sup>th</sup> September 2020

Dear Councillor Ashley

### **SUSTAINABLE TRAVEL TOWN PROGRAMME – HERTFORD TOWN COUNCIL BID**

Thank you for your letter of 7 August 2020 and the information it enclosed. Thank you also for your time when you attended the zoom meeting with Town Councillors on Wednesday 9 September 2020.

The Council has given careful consideration to your letter and in particular the list of criteria that the District and Borough Councils would be required to sign up to if they choose to continue to support bid(s) from Town and Parish councils/other organisations in their administrative areas.

Hertford Town Council remains very supportive of the Sustainable Travel Town Programme in delivering the aims of the Local Transport Plan to increase sustainable transport across Hertfordshire.

However, whilst the Town Council has not been asked to comment on or agree the District and Borough criteria, as the submitter of the Hertford STT bid, the Council wishes to provide some comments on the criteria.

The Council is concerned at criteria in relation to parking measures and planning.

As was discussed in the zoom meeting, a blanket ban of free parking in Hertford Town Centre needs very careful consideration as the county town seeks to meet the challenges presented by the Covid-19 pandemic.

The other criterion that causes concern is the requirement to deliver car free housing and to reduce parking standards in new developments when car free housing cannot be delivered. Overspill parking to surrounding streets may occur and

as such create problems for existing residents and businesses in Hertford. Inappropriate parking does on occasion lead to reduced highway safety when sight lines at junctions are reduced by verge parking of vehicles.

### Counter Proposal

To mitigate these concerns the Council wishes to take up the positive offer made at the zoom meeting to offer a counter proposal for these elements of the criteria.

### **Town Centre Parking**

It is suggested that a study/review of town centre on street parking can form a committed part of an STT programme for Hertford. The study can undertake a thorough review of parking locations and dwell times (how long the space is used for) and also engage with users to determine their appetite/likely response if town centre on street parking were to start to incur a nominal charge for its use.

The outcome of the study would be considered and appropriate measures be introduced in the STT programme.

### **Parking at New Development**

Successful car free housing schemes rely on two underpinning principles; firstly that there is a full range of services and facilities within convenient walking or cycling distance from the housing site and that on street parking control (CPZ) surround the physical development site.

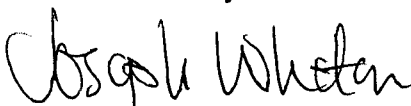
As such it is suggested that East Herts District Council could undertake a study on the viability of car free housing in Hertford that would inform the District Plan review or review of development standards for parking in new development.

Any changes to development parking standards or the introduction of car free housing would inform the STT programme and should not necessarily hold up the award of programme entry.

The STT programme can begin to develop and implement a range of positive and encouraging measures that will lead to greater use of sustainable travel modes in Hertford.

The Council looks forward to the outcome of the Growth, Infrastructure, Planning and Economy Cabinet Panel being held on 8 October 2020.

Yours sincerely



Joseph Whelan

**EAST HERTS COUNCIL  
RESIDENT PERMIT PARKING SCHEMES  
OPERATIONAL GUIDANCE**

## **1. INTRODUCTION**

Resident permit parking schemes (RPZs) may be offered to assist residents living in areas where on-street parking demand significantly exceeds supply and where it is not appropriate to manage parking problems using conventional parking restrictions.

This document supports the policy framework that governs the prioritisation, implementation and operation of RPZs in East Herts.

## **2. ADVANTAGES AND DISADVANTAGES OF AN RPZ**

Implementing an RPZ can bring advantages and disadvantages:

### Advantages

- Discourages commuter/long term parking in residential streets
- Enhances the environment in residential areas
- Residents find on-street parking is easier and more convenient
- May engender improved traffic management
- Can deliver road safety benefits
- Encourages the use of alternative, more sustainable modes of travel
- Can reduce traffic and congestion

### Disadvantages

- Possible negative effects of displaced commuter parking
- Costs of implementation and management
- Residents and their visitors have to pay to park in their street
- Permits do not absolutely guarantee a parking space
- May only help manage an under-supply of spaces, not solve underlying supply problems
- Can lead to inefficient use of on-street parking spaces
- Possibility that a RPZ may reduce availability of on-street parking, with consequent problems for visitors and businesses

### Permit Scheme Design

To ensure the efficient use of available on-street parking, RPZs should only be implemented on a 'shared use' basis whereby resident permit parking is shared *on a managed basis* with non-resident motorists such as local business workers (in the form of a permit scheme) or 'casual' users parking on a virtual (e.g. pay by phone) basis.

### **3. INITIAL CRITERIA FOR CONSIDERATION OF AN RPZ**

Criteria that should be met before an RPZ request can be shortlisted:

- There should be early evidence of resident and District Councillor support for an RPZ (e.g. petition, build-up of email requests or letters).
- The kerb space occupied by non-residents should be greater than 40% at times when parking problems caused by non-residents occur (survey required).
- There should be sufficient kerb space to enable a minimum of 75% of all households within the proposed scheme area to park at least one vehicle on-street (survey required).

### **4. FINAL CRITERIA FOR RPZ PRIORITISATION**

Final criteria that will inform the order of progression of shortlisted RPZ requests:

- Availability of external funding.
- Current resourcing available to move this work forward (i.e. only 2 schemes will be processed at any one time).
- Any beneficial tie-in with other work being undertaken e.g. town centre enhancements.
- Resolves problems for emergency and utility vehicle access.
- The availability of off-street parking for non-residents in the area.
- The impact of displacing non-resident cars.
- The size of the proposed RPZ.

The final decision as to whether to progress a shortlisted RPZ to design and consultation stage and the outline terms on which that scheme should be developed will rest with the Portfolio Holder acting in consultation with the Head of Service and on the advice of the Parking Manager.

The geographical area of a proposed RPZ will be based on officer judgement, informed by considerations such as the presence of natural or man-made boundaries, requests logged, input from District Councillors and any conditions attached to external funding (where applicable).

### **5. CONSULTATION AND IMPLEMENTATION PROTOCOL**

All proposed RPZs will be subject to consultation. The process will comprise:

- Preliminary consultation with District Councillors for the affected ward(s) and wards immediately adjacent to the proposed scheme area.
- A survey of all residents and businesses within the proposed area to identify the level of concern regarding parking difficulties and to establish the level of support for an RPZ. This consultation will also be used to identify the community's outline requirements for a RPZ. The results of this questionnaire will be used to inform the development of a proposed RPZ.
- To qualify for progression to design stage, a simple majority of the total number of households in streets where a scheme is proposed (50% +1) must

respond formally to this initial questionnaire and a simple majority of these respondents (50% + 1) must vote in favour of a scheme.

- Officers may re-consult in streets where the vote is tied, where residents' wishes appear unclear or where officers are aware of decisions made in nearby streets may make impact the situation elsewhere; however any decision by officers to depart from the above position must be clearly justified in relevant commissioning reports and communicated to affected residents.
- Except in the case of very small scale schemes, a second round of consultation should be by means of a public exhibition or public meeting as appropriate to the size and scale of the potential RPZ. This will allow officers to answer questions on a one to one basis and to further refine elements of the proposed scheme's design.
- The next, formal stage of the process will involve the advertisement of a Traffic Regulation Order in the local media, on-street Notices and using the Council's social media where appropriate.
- The resolution of statutory objections to a Traffic Regulation Order is a matter for officers; however in exceptional circumstances where the volume and/or type of objection is viewed by officers as significant and/or when a petition has been received that qualifies the lead petitioner to address the Council, the matter may be referred to an appropriate committee of the Council for review.
- All RPZs will be reviewed approximately six months after implementation. This review will include a survey of District Councillors, residents and businesses in and around the scheme area, following which point modifications may be made following the promotion of an Amendment Order, where these are seen as beneficial to the needs of residents and others.

## **6. DETAILED DESIGN PRINCIPLES**

When designing an RPZ there should be a clear understanding of the parking problems in the area and the implications of the introduction of the RPZ. Accordingly, when considering the needs of the residents and determining the layout of an RPZ the following detailed points must be addressed:

- Maintaining traffic flow & visibility at junctions
- Vehicle access
- Emergency vehicle access
- Loading/unloading requirements
- Bus stops
- Needs of blue badge holders
- Limited waiting areas for local businesses
- Needs of visitors and other categories of drivers who need to park within the zone
- The mix of the area (residential/commercial).
- Safety of the public and other road users within the zone

The objective in all cases should be to maximise amenity for residents whilst taking into account the needs of the wider community.

Signage and markings are required to be in accordance with the current Traffic Signs Regulations and General Directions and the relevant sections of the Department for Transport Traffic Signs Manual. Special authorisation will be obtained from the Department for Transport before any non-standard scheme is implemented. Individually marked or designated parking bays will not normally be provided.

Residents of new housing developments within established scheme areas (e.g. apartment buildings or existing buildings converted into apartments) will not automatically be considered for inclusion in that scheme where private off-street parking is included in the development. In other cases, primarily where new houses are built that do not have private off-street parking there should be a presumption towards creating on-street permit eligibility for that new address and in such circumstances the developer should be required to meet the costs of amending and advertising the relevant TRO as part of the planning process.

Private roads and roads that are not maintained at public expense will not be considered for inclusion in a resident permit parking scheme.

## **7. SCHEME CHARGING PRINCIPLES**

Permit charges shall be determined by the Council and set at a level that recoups the implementation costs over a defined period and also meets the annual operational costs of individual RPZs.

Residents within a proposed scheme area will be given the Council's best estimate of the likely permit charge at the earliest possible stage in the consultation process. Residents will be required to signify their agreement to these charging principles before a scheme is progressed to design and formal consultation stages.

## **8. RPZ OPERATIONAL TERMS**

Outline operational terms of a proposed RPZ will be set out at the start of the consultation process and will be refined through the process of consultation with residents, local Members and through the TRO process.

The following principles will apply:

- The number of resident permits offered per household will be based on an officer assessment of the availability of kerb space versus the number of households within the proposed scheme area.
- The quantity of visitor parking hours offered per annum will be approximately 20% of the annual operating hours of the RPZ. (For example, if a scheme operates for 10 hours a day, 6 days a week, approx. 600hrs of visitor parking time will be issued per household).
- The operational hours of a scheme will be considered on an individual basis and as a rule they will be set at the minimum necessary to secure the primary objective of that scheme whilst maximising its potential for legitimate use by other motorists.

## **9. SPECIAL PERMITS**

To qualify for a special parking permit an organisation or individual will be required to demonstrate:

- That they are providing essential care, health or other essential community service for residents within the RPZ.
- That there is a need for them to park within the RPZ to provide that service.

A carer individual or organisation will be required to apply using the Council's online permit management system. If their application meets the Council's criteria they will be granted permits. The Council may require additional, supporting documentation in support of an application.

## **10. REVIEW OF AN RPZ**

### **Review of Schemes**

The Council will review resident satisfaction with a newly introduced RPZ approximately six months after implementation. This review will also canvass the views of residents, affected Councillors and others from a wider area outside the scheme's boundary, to ensure its full effects are understood. Where beneficial, the scheme may then be modified as per the process set out in Section 6 of this document (Consultation and Implementation Protocol).

## **11. REMOVAL OF AN RPZ**

Significant evidence of local support for the removal of an RPZ will be managed in the same manner as the process set out in Section 6 of this document (Consultation and Implementation Protocol).

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## **EAST HERTS COUNCIL RESIDENT PERMIT PARKING POLICY**

### **INTRODUCTION**

A Resident Permit Parking Scheme (RPZ) may be introduced to assist residents living in an area where on-street parking demand significantly exceeds supply and where it is not appropriate to manage this demand using conventional parking restrictions.

This document sets out the policy framework that underpins the adoption and operation of RPZs in East Herts.

Schemes will be implemented and will operate in accordance with Operational Guidance which operates in parallel with this Policy.

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### ***The Member Role***

- Considerable financial and other resources are expended during the investigation, design and implementation of a resident permit parking scheme. For this reason and to ensure the Council's proposals are in line with the community's wishes, Member involvement in the process from its earliest point is essential. No scheme will progress to detailed survey, design and consultation stage until it receives support from all District Councillors for the affected area(s).

### ***Award of Schemes***

- East Herts Council will prioritise residents' parking needs in primarily residential areas where there is evidence derived from surveys that demand for on-street parking significantly exceeds supply, due to the presence of non-residents' vehicles.
- East Herts Council will follow the extensive consultation process set out in Statute and Operational Guidance. The Council will seek to implement an RPZ only in areas where, following consultation, a majority of those residents who express a view wish to be included in a scheme.
- East Herts Council will follow Statute, Operational Guidance and best practice when designing, implementing and administering its resident permit parking schemes. In particular the Council will:
  - Seek to ensure that schemes operate in support of the Council's network management obligations as set out in Part 2 (16) of the Traffic Management Act 2004 and other relevant legislation.
  - Seek to ensure that each RPZ does not generate a net financial surplus for the Council.
- East Herts Council will assess the wider effects on the community when considering the implementation of an RPZ, including the potential for vehicle displacement, the additional demand for off-street parking that may be

generated and the ability of nearby car parks to accommodate this demand. These issues will be addressed through the scheme design, consultation and reporting processes.

- Except where this is not possible for sound operational reasons East Herts Council will only introduce 'shared use' RPZs, to ensure the most efficient use of on-street parking provision.

### ***Financial Principles***

- East Herts Council will recover the set-up costs of an RPZ over a four year period through the sale of permits and visitor parking time within that RPZ.
- East Herts Council will cover the operational costs of an RPZ from the residents who benefit from the scheme – primarily from the sale of permits, visitor parking time and income from shared use parking. At all stages during the consultation process the Council will give residents its 'best estimate' of the likely initial cost of permits should a scheme be implemented, to allow residents to make an informed decision on whether to seek inclusion in a scheme.
- Scheme revenue and costs will be reviewed on an annual basis as part of the Council's annual fees and charges process.
- East Herts Council will not take into account Penalty Charge Notice revenue that may arise from the implementation of a scheme when setting and reviewing scheme charges.
- Any inadvertent surplus arising from the Council's on-street parking operations (including RPZs) will be ring fenced for use by the Council in accordance with S55 of the Road Traffic Regulation Act 1984.
- Two schemes will be investigated at any one time within the Council current resources.

### **Review of Schemes**

- East Herts Council will review resident satisfaction with a newly introduced RPZ approximately six months after implementation. This review will also canvass the views of residents, Councillors and others from the wider area, outside the scheme's boundary, to ensure its full effects are understood. Where beneficial, the scheme may then be modified.

### **Removal of Schemes**

- Receipt of a significant number of requests for the removal of an established scheme will be managed in line with the 'Consultation and Implementation' process set out in Section 6 of Operational Guidance.

**East Herts Trade Prices Summary**

	No Of Customers	20/21 Current Prices	21/22 Proposed Prices	Difference	% Difference	21/22 Prices Capped @ 15%	% Difference
Trade Customers	708	£ 170,187.83	£ 181,942.41	£ 11,754.58	6.91%	£ 181,942.41	6.91%
Sacks (Annual)	150	£ 14,850.00	£ 18,450.00	£ 3,600.00	24.24%	£ 17,077.50	15.00%
School Customers	67	£ 32,844.99	£ 43,450.62	£ 10,605.63	32.29%	£ 37,771.74	15.00%
Charity Customers	26	£ 2,994.02	£ 4,096.60	£ 1,102.58	36.83%	£ 3,443.12	15.00%
Sacks (Annual)	1	£ 57.00	£ 112.00	£ 55.00	96.49%	£ 65.55	15.00%
<b>Quarterly Totals</b>	<b>801</b>	<b>£ 206,026.84</b>	<b>£ 229,489.64</b>	<b>£ 23,462.80</b>	<b>11.39%</b>	<b>£ 223,157.27</b>	<b>8.31%</b>
<b>Annual Totals</b>	<b>952</b>	<b>£ 839,014.37</b>	<b>£ 936,520.55</b>	<b>£ 97,506.18</b>	<b>11.62%</b>	<b>£ 909,772.14</b>	<b>8.43%</b>

Trade Container Size	EHDC	Proposal	EH % Increase	Capped Prices for Existing Customers	Notes
	19/20				
120	-	£5.50	-	£5.50	No Price for EH. No 120 Customers
240	£8.69	£9.00	3.54%	£9.00	
360	£9.90	£10.00	0.97%	£10.00	
660	£16.58	£16.58	0.00%	£16.58	
1100	£21.29	£21.29	0.00%	£21.29	
Sacks	£99.00	£120.00	21.21%	£113.85	

Charity Container Size	EHDC	Proposal	EH % Increase	Capped Prices for Existing	Notes
	19/20				
240	£6.44	£8.00	24.22%	£7.41	
360	£6.88	£8.85	28.55%	£7.92	
660	£11.54	£14.20	23.07%	£13.27	
1100	£12.48	£17.50	40.22%	£14.35	
Sacks	£57.00	£112.00	96.49%	£65.55	

School Container Size	EHDC	Proposal	EH % Increase	Capped Prices for Existing	Notes
	19/20				
120	-	£5.50	-	£5.50	No Price for EH. No 120 Customers
240	£6.61	£6.61	0.00%	£6.61	
360	£7.37	£8.25	11.95%	£8.25	
660	£12.09	£12.09	0.00%	£12.09	
1100	£13.04	£15.00	15.00%	£15.00	
Sacks	£57.00	£112.00	96.49%	£65.55	

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# Hertfordshire Growth Board Integrated Governance Framework

October 2020



**Hertfordshire**  
Growth Board

# Hertfordshire Growth Board Proposed Joint Committees Integrated Governance Framework

## 1. Background

- 1.1 Hertfordshire Growth Board (HGB) has been operating since late 2018 as a non-constituted partnership of the 11 Local authorities and Local Enterprise Partnership in Hertfordshire. Formed as a coalition of the willing with the purpose of taking a longer term place leadership approach to our place ambitions, growth pressures and economic performance, it has promoted effective joint working and common cause, delivering more than the sum of the parts and seeking to create additionality for all partners and the residents and businesses of Hertfordshire.
- 1.2 The Growth Board Partners have invested significant capital in the work that has been undertaken on developing the Growth Board programmes so far, charting a course of collective action through the dedication of political, officer and financial resources. The Growth Board is a unique construct for Hertfordshire and the progress that it has made in its two years of operation is important. The relationships that have been built between the partners, the set of programmes that have been developed and the outcomes that are being sought in place and economic terms are significant and will extend beyond political horizons. They represent a coherent response to the ambitions that the partners have articulated together, and the challenges that we face, including economic recovery.
- 1.3 Through the Growth Board work, including the joint signing of the collaboration Memorandum of Understanding (MOU) in 2019/20 we have signalled to HM Government unity and joint commitment to the Growth Board programmes across Hertfordshire and to pursuit of a Growth Deal for our area. Bids for the Single Housing Infrastructure Funding will need to be submitted in 2020/2021 and will need to be supported by evidence of an appropriate governance model, best provided by strengthening of the current governance of the Growth Board, to give it a legal identity and statutory weight.
- 1.4 The Growth Board has increased the openness and transparency around its activities in 2020, publishing its board papers and developing a website and greater visibility of its work and ambitions. There is recognition however, that an informal constitution and governance can only take those ambitions so far and formalising the Growth Board into a statutorily constituted Joint Committee with associated scrutiny function will bring benefits for the partnership including:
  - a) signalling the strong and ongoing local commitment to the joint Growth Board work, its pan Herts focus, delivery programmes and co-ordinating role now and in the future (going above the commitments set out in the existing MOU)
  - b) Helps maintain government and investor confidence in the visible alignment of business, political governance and civic support to delivery commitments in Hertfordshire
  - c) Would aid openness and transparency in decision making for councils whilst the bidding to and negotiations with HM Government move forward

- d) Provides a governance vehicle that can operate and take advantage of potential opportunities now, building on the progress made so far and maintaining the momentum that has been established by the partnership
  - e) Has a neutral impact upon any structural change considerations in Hertfordshire, enabling focus to be maintained on the joint Growth Board work and building on the progress and investment made over the last two years.
- 1.5 Moving to establish a statutory joint committee will bring the work of the Growth Board within a legally prescribed process. Good governance requires an associated scrutiny function to be established alongside. Both of these are now proposed to the Growth Board partners. Subject to all partners agreeing to establish the joint committees, and the local authority partners confirming this decision and taking the legislative steps to establish the joint committees, the first Growth Board joint committee could take place in early 2021. The implementation of the Growth Board Scrutiny Committee should be aligned to confirmation of a successful bid, later in 2021.

## 2.0 The Integrated Governance Framework – Key components

- 2.1 The Hertfordshire Growth Board and Growth Board Scrutiny Committee will be joint committees of the District, Borough and County Councils, formed under provisions of Local Government legislation<sup>1</sup> which enable councils to come together to discharge various of their functions. The Hertfordshire Local Enterprise Partnership shall also be a member of the HGB, in accordance with the same legislative provisions.
- 2.2 The Integrated Governance Framework attached to this paper provides the proposed Terms of Reference (TOR) and Standing Orders (SO) for the both of the Growth Board and Scrutiny Joint Committees.

### Role of the Hertfordshire Growth Board

- 2.3 The HGB has the primary aim of coordinating strategic development planning and delivery across Hertfordshire. The **HGB** is currently operating to provide strategic co-ordination around growth and place leadership for the eleven councils and Local Enterprise Partnership (the **LEP**) in Hertfordshire. Governance is through an agreed Terms of Reference and a collaboration Memorandum of Understanding. The HGB has developed a common purpose and a pan-Hertfordshire programme of projects supporting its vision and ambition for Hertfordshire the place.
- 2.4 HGB will be bidding to HM Government to secure Growth Funding through the Single Housing Infrastructure Fund or other funding streams which will require a formal governance model to provide accountability to government and good governance and transparency in the local management and use of any funds received under such an arrangement. If this is achieved, HGB will be responsible for commissioning the projects which will be funded and for the overall control of the project programme.
- 2.5 Going forward, within the framework of distributed leadership provided by the Growth Board, individual projects may be led by a constituent council, councils or by the HGB, and the HGB may delegate various of its functions to officers of the Councils. The constituent councils will also form a joint Scrutiny Committee to review the work of the HGB, comprising members from each of the constituent councils.

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<sup>1</sup> Sections 101 and 102 of the Local Government Act 1972; Section 9EB of the Local Government Act 2000 and pursuant to the Local Authorities (Arrangement for the Discharge of Functions) (England) Regulations 2012

## Core Provisions regulating the HGB and the Scrutiny Committee

- 2.6 The Growth Board commissioned the preparation of the Integrated Governance Framework with support and input from the Hertfordshire Heads of Legal/Monitoring Officers Group. The Framework drew on relevant governance models and examples from elsewhere (Oxfordshire and Cambridgeshire) and has also been reviewed in a number of previous iterations through the Chief Executives group. The version attached to this paper has been endorsed by the Growth Board for consideration by constituent councils in their individual democratic processes.
- 2.7 Each of the HGB and the HGB Scrutiny Committee shall operate in accordance with respective Terms of Reference and Standing Orders. Core Provisions of these are set out in summary below and the full framework is attached at Appendix A to this paper:

<p>HGB - Terms of Reference (Summary)</p>	<p><u>Membership and Voting</u> – The HGB shall have twelve members, comprising one member from each council and one member from the LEP. The strong ambition of the HGB shall be for all decisions to be made on a unanimous basis, and issues on which consensus cannot be reached shall be deferred to the following meeting.</p> <p>Only where consensus cannot be achieved at a subsequent meeting will issues be put to a vote. In those cases, and in compliance with the law applicable to joint committees, the voting members shall be the Council members only, and votes shall be decided by majority. The Chair is entitled to a casting vote, but there will be a convention that he/she will not rely on this. Before taking any decision, the local authority members of the HGB will have due regard to the advice and opinions expressed by the LEP member.</p> <p><u>Division of functions between the HGB and constituent councils</u> – Section 4 of the Terms of Reference clarifies those functions that will be given to the HGB, and those that will be retained by the constituent councils and the LEP (where applicable).</p>
<p>HGB - Standing Orders (Summary)</p>	<p>The HGB members shall appoint a Chair and two Vice-Chairs. There shall be a two-year non-consecutive limit on the Chair’s appointment (i.e. he/she may be reappointed, but only after a different member has been Chair).<sup>2</sup></p> <p>Meetings will have a quorum of 9 members.</p> <p>Meetings will be open to public attendance (whether physical or virtual meetings) and will accept questions and petitions from the public.</p>
<p>HGB Scrutiny</p>	<p><u>Role</u> - The Scrutiny Committee will provide pre-scrutiny of the business</p>

<sup>2</sup> For both the HGB and the HGB Scrutiny Committee, there will be an exception to the term limits for the initial appointment of the chair at the first meeting.



<p>Committee Terms Reference (Summary) - of</p>	<p>of the HGB. It will also act as a forum for discussion with a wider range of members and stakeholders across Hertfordshire. The Scrutiny Committee may review and comment on reports to the HGB, offer advice to HGB on the discharge of its functions and may review its work.</p> <p><u>Membership</u> – the Scrutiny Committee shall have 12 members including the LEP. Members must not be executive members of their appointing authority.</p>
<p>HGB Scrutiny Committee - Standing Orders (Summary)</p>	<p>Meetings of the Scrutiny Committee will normally be scheduled shortly prior to meetings of the HGB, in order to facilitate its pre-scrutiny function.</p> <p>The HGB members shall appoint a Chair and one Vice-Chair to the Scrutiny Committee. There shall be a two-year non-consecutive limit on the Chair’s appointment (i.e. he/she may be reappointed, but only after a different member has been Chair).<sup>3</sup></p> <p>Meetings shall have a quorum of 7 members.</p> <p>Voting where required shall be by simple majority, in accordance with legislative requirements. As with the HGB, the Chair shall be entitled to a casting vote, but there will be a convention that he/she will not rely on this.</p> <p>Meetings will be open to public attendance (whether physical or virtual meetings) and will accept questions and petitions from the public.</p>

### 3.0 Implications

- 3.1 The financial implications of establishing joint committees for the Hertfordshire Growth Board consist primarily of time for the attendees (Members and officers), secretariat and support, accommodation (for when meetings are hybrid or in a single location) and cost of ICT/live streaming of meetings. These costs will be met from the Hertfordshire Growth Board Growth Fund. The Growth Board Growth Fund is overseen by the Growth Board and accounted for by the s.151 Officer at Hertfordshire County Council who are the accountable body for the fund.
- 3.2 The legal implications of setting up the joint committees relate primarily to governance, meeting and publications arrangements and conduct of members. The proposed

<sup>3</sup> See footnote 2.

Integrated Governance Framework addresses the governance requirements and also to the way that meetings will operate. The publications and procedures rules that both committees will need to operate within are also addressed in the document, where not the normal statutory rules will apply including those related to Covid-19 arrangements for virtual meetings. Local Government and LEP members, alternates and substitutes are covered by the general code of conduct for their organisations.

- 3.3 Environmental and sustainability implications. The Growth Board partners have established separate but also joint approaches to sustainability and climate change impacts/mitigation measures for Hertfordshire. There is crossover with the Growth Board work that will ensure that environmental considerations and programmes are taken forward and implications considered.
- 3.4 Equalities implications. A formal EQIA has not been deemed necessary because there is nothing to suggest that the creation of these statutory joint committees will adversely affect any equalities requirements. Moving to statutory joint committees will increase transparency and openness in the work of the Hertfordshire Growth Board.

#### **4.0 Next Steps for Constituent Councils in establishing the Joint Committees**

- 4.1 The constituent councils are asked to put forward to their full council a motion to approve the formation of the HGB and its scrutiny committee as statutory joint committees, with functions delegated to them as set out in the attached Terms of Reference and Standing Orders of the HGB and Scrutiny committees.
- 4.2 Councils and the Local Enterprise Partnership are then asked to appoint a member to each of the HGB and the HGB Scrutiny Committee. If endorsed by votes of the constituent councils as above, the HGB will be constituted. It is hoped to schedule a first meeting of the HGB in January/February 2021. The HGB Scrutiny Committee work programme is largely triggered by securing infrastructure and growth-related funding from Government therefore its first meeting should be aligned to successful achievement and confirmation of funding.

#### **5.0 Recommendations**

- 5.1 The Constituent Councils of the Hertfordshire Growth Board are recommended to:
  - 1. Confirm the establishment of the Growth Board and Growth Board Scrutiny Joint Committees (to hold their inaugural meetings in January/February 2021 and then HGB Scrutiny aligned to confirmation of securing Government funding in 2021)
  - 2. Adopt the Growth Board Integrated Governance Framework into the Councils own constitutional framework
  - 3. Agree the Council's nominated representative on the Growth Board and Scrutiny Committee
- 5.2. The Hertfordshire Local Enterprise Partnership is recommended to:
  - 1. Endorse the establishment of the Growth Board and Growth Board Scrutiny Joint Committees
  - 2. Note the requirements of the Growth Board Integrated Governance Framework
  - 3. Agree the LEP nominated representative on the Growth Board and Growth Board Scrutiny Committee

## HERTFORDSHIRE GROWTH BOARD - INTEGRATED GOVERNANCE FRAMEWORK

Hertfordshire Growth Board (**HGB**) is currently operating to provide strategic co-ordination around growth and place leadership for the eleven councils and Local Enterprise Partnership (the **LEP**) in Hertfordshire. Governance is through an agreed Terms of Reference (**TOR**) (incorporated below) and a collaboration Memorandum of Understanding (**MOU**).

HGB is also in negotiation with HM Government to secure a Growth Deal which will require a formal governance model to provide accountability to government and good governance and transparency in the local management and use of any funds received under such an arrangement.

HGB comprises twelve local partners, namely the County Council, the Hertfordshire District and Borough councils<sup>4</sup> and the LEP. Its governance framework consists of the Board itself, with twelve members, supported by a Scrutiny Committee also of twelve members.

### 1. Hertfordshire Growth Board

#### Summary of Functions

- 1.1 HGB is established to ensure the effective coordination of strategic planning and delivery and to ensure that the objectives of a future Growth Deal for Hertfordshire are met.
- 1.2 HGB will also be responsible for the commissioning of projects funded by money provided through a Growth Deal, and for overall control of that programme of projects. For each individual project, HGB may act as lead, with budget responsibility; alternatively, it may appoint as lead a constituent council, who will be responsible for the delivery of that budget, under the oversight of the HGB. This shall also apply to circumstances in which funding is provided to the HGB by the member Councils or by other parties, such as the LEP.
- 1.3 HGB shall also support the development of local planning policy that promotes (1) the UK Government's stated aim of net zero carbon by 2050, and (2) constituent Councils' 2030 targets, and contributes towards biodiversity gain whilst embracing the changes needed for a low carbon world.

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<sup>4</sup> Hertfordshire County Council, Borough of Broxbourne Council, Dacorum Borough Council, East Hertfordshire District Council, Hertsmere Borough Council, North Hertfordshire District Council, St Albans City and District Council, Stevenage Borough Council, Three Rivers District Council, Watford Borough Council, Welwyn Hatfield Borough Council.

- 1.4 The Councils agree to delegate the exercise of their functions to the HGB to the extent necessary to enable the HGB to pursue and achieve the purposes in paragraphs 4.1 and 4.2 of the Terms of Reference, and to undertake any actions necessary, incidental or ancillary to achieving those objectives. The Councils shall make the necessary changes to their respective schemes of delegation accordingly.
- 1.5 The HGB may further delegate to officers of the Councils.
- 1.6 The HGB will consider any reports and recommendations from the HGB Scrutiny Committee as appropriate.
- 1.7 The HGB shall develop its own Forward Plan.

### **Terms of Reference and Standing Orders**

- 1.8 The HGB's Terms of Reference and Standing Orders are set out in Appendix 1 and the accompanying Annex.

## **2. HGB Scrutiny Committee**

### **Summary of Functions**

- 2.1 The HGB Scrutiny Committee has delegated authority to exercise the following functions:
  - a. Advise the HGB in connection with the achievement of the functions set out at paragraph 1 above;
  - b. Prepare and submit reports and/or recommendations to the HGB; and
  - c. Carry out all other statutory scrutiny functions in relation to the HGB.

### **Terms of Reference and Standing Orders**

- 2.2 The HGB Scrutiny Committee's Terms of Reference and Standing Orders are set out in Appendix 2 and the accompanying Annex.

## Appendix 1

### TERMS OF REFERENCE OF THE HERTFORDSHIRE GROWTH BOARD

#### 1. Parties

Hertfordshire County Council  
Borough of Broxbourne Council  
Dacorum Borough Council  
East Hertfordshire District Council  
Hertsmere Borough Council  
North Hertfordshire District Council  
St Albans City and District Council  
Stevenage Borough Council  
Three Rivers District Council  
Watford Borough Council  
Welwyn Hatfield Borough Council  
Hertfordshire Local Enterprise Partnership (**LEP**)

#### 2. Status

- 2.1 The Hertfordshire Growth Board (**HGB**) has been established by Hertfordshire County Council and the District and Borough Councils listed above. It is a joint committee of these Councils, established by the Councils under sections 101 and 102 of the Local Government Act 1972, section 9EB of the Local Government Act 2000 and pursuant to the Local Authorities (Arrangement for the Discharge of Functions) (England) Regulations 2012.

#### 3. Membership

- 3.1 Twelve members, comprising one elected member from each Council (anticipated to be the Leader/Directly Elected Mayor of each Council) with full voting rights, and a member nominated by the LEP (anticipated to be the Chair of the LEP) who is a co-opted non-voting member. The elected members shall be obliged to have due regard to the representations made by the LEP member.
- 3.2 Each constituent council may appoint a substitute from time to time. The substitute member shall have the same rights of speaking and voting at the meetings as the member for whom the substitution is made.
- 3.3 The HGB, with the agreement of its members, may co-opt other non-voting members to its membership where it is considered conducive to the effective consideration of any matter.

- 3.4 The HGB may appoint representatives to other outside bodies of which the HGB has membership.

#### **4. Functions**

##### General Functions

- 4.1 The HGB has delegated authority to exercise the following functions:
- a. Exercising strategic direction, monitoring, delivery and co-ordination of current and future Growth Board strategy, programmes and implementation of any Growth Deal Project;
  - b. Effective place leadership, ensuring that interests relating to spatial planning, economic prosperity, infrastructure provision, health provision, sustainability and climate change mitigation are effectively taken into account, coordinated and incorporated in place-making, in order to safeguard and maintain Hertfordshire's unique quality of life and prosperity;
  - c. Securing strategic collaboration and delivery across the councils and with the LEP in accordance with the policy objectives of the partner organisations;
  - d. Acting as the place leadership body for Hertfordshire that may act as a single voice to Government (and other national and sub-national bodies) on issues relevant to its ambit;
  - e. Coordinating the prioritisation of Growth Board funding from devolved and other funding sources for infrastructure schemes, to ensure that decisions are made in one place and supported by all relevant partners and stakeholders;
  - f. Promoting and lobbying for Hertfordshire's interests and for funding;
  - g. Oversight, accountability for and prioritisation of the Growth Board Growth fund;
  - h. To bring together the work of the emerging South West Herts Joint Planning and North, East and Central Herts Joint Planning groups, ensure strategic infrastructure requirements are identified and fed into the Hertfordshire Infrastructure and Funding prospectus.
  - i. To maintain a current understanding of infrastructure needs through the Hertfordshire Infrastructure and Funding prospectus and other sources so key infrastructure priorities needed to support economic and housing growth can be determined

- j. To maintain particular focus on the successful regeneration of Hertfordshire's New Towns, the health of Town Centres and development and delivery of new Garden Towns and Communities.

### Specific Functions

- 4.2 The HGB also has delegated authority to:
  - a. Approve single position statements in relation to strategic Growth Deal issues;
  - b. Approve projects, including the allocation of project funding, which fall within the ambit of a future Growth Deal agreement;
  - c. Approve the major priorities under the auspices of a future Growth Deal;
  - d. Approve plans and strategies necessary or incidental to the implementation of a Growth Deal; and
  - e. Consider recommendations from the HGB Scrutiny Committee.
  
- 4.3 For the avoidance of doubt, the following non-executive and executive functions of the constituent Councils (and where applicable, the LEP) are excluded from the delegations to the HGB:
  - a. Statutory planning functions;<sup>5</sup>
  - b. Statutory housing functions;
  - c. Statutory functions relating to economic development;
  - d. Statutory highways and transport functions;
  - e. Matters incidental to the exercise of the above functions.

## **5. Professional and Administrative Support**

- 5.1 Hertfordshire County Council shall act as the accountable body for the HGB in respect of financial matters and its financial procedure rules will apply in this context. It will provide Section 151 and Monitoring Officer roles to the Committee in accordance with its internal procedures.
  
- 5.2 Hertfordshire County Council's Director of Finance (Section 151 Officer) will provide the HGB with quarterly financial reports for funding that has been allocated directly to Hertfordshire County Council as the Accountable Body. These reports will provide the HGB with an overview of the funds spent and funds committed against funds allocated.

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<sup>5</sup> This includes acting as Local Planning Authority on strategic planning matters, applications, approval and designation, consultations/referendums revocation (or recommend revocation of) neighbourhood plans, Article 4 Directions and orders

- 5.3 For those programmes and funding streams where another local authority is the Accountable Body, the relevant Section 151 Officer will provide the financial and performance information to the County Council's Section 151 Officer, for integration into the quarterly reporting process.
- 5.4 Committee management and administrative support to the HGB will be provided by Hertfordshire County Council.
- 5.5 The lead role on projects shall be determined by the HGB, subject to the guiding principle that the lead council should normally be the Council primarily responsible for the service in question for their area. The procurement and other rules of the lead council will apply in respect of projects.

## **6. Standing Orders**

- 6.1 The HGB will be governed by the Standing Orders set out in Annex A attached to these Terms of Reference.

## **7. Advisory Sub-Groups**

- 7.1 The HGB may establish Programme Boards/Advisory Sub-Groups to oversee specific work programmes or broader thematic areas as required. Programme Boards/Sub-Groups, reporting into the HGB, will be managed in accordance with separate terms of reference as agreed by the HGB.
- 7.2 The role, remit and membership of Programme Boards/Advisory Sub-Groups will be reviewed regularly to ensure they remain flexible to the demands of ongoing and new programmes of work.

## **8. Withdrawal**

- 8.1 The firm intention is that HGB will continue until the programme is completed. Recognising the very serious implications of withdrawal from the HGB for the delivery of any Growth Deal programme, if a Council decides to withdraw from its role within HGB, it commits to sharing this with HGB members at the earliest possible opportunity, and to entering into constructive discussions to avoid this happening or to reach a way forward.
- 8.2 In all cases:
- a. A minimum of six months' prior notice shall be given before withdrawal; and
  - b. Withdrawal shall take effect from the beginning of the financial year.



## 9. Costs

- 9.1 The costs of running the HGB will be funded from the HGB Growth Fund in combination with officer time contributions from constituent councils.
- 9.2 Each Council makes a legally binding commitment that, should it withdraw from the HGB, it shall pay all additional costs (such as increased project costs) that fall to be met by the other partner Councils that are reasonably attributable to that withdrawal. This could include, for example, the costs that are locked into projects that have already been committed to, or the costs of dissolving integrated officer and Member arrangements and re-establishing independent arrangements.

## 10. Dispute Resolution

- 10.1 This section 10 governs disputes which may arise between the members and former members (including the LEP member, but not including any other co-opted member) in relation to these Terms of Reference or the Standing Orders of the HGB, or the decisions or operations of the HGB (a **Dispute**).
- 10.2 Each member as defined in paragraph 10.1 shall be entitled to refer a Dispute to the Heads of Paid Service of the member Councils and the Chief Executive of the LEP (together the **Dispute Panel**), who shall seek to agree a resolution. If the Dispute Panel is unable to resolve the matter within 1 month of it being referred to them, it shall agree any further dispute resolution procedure that it deems appropriate. This may include but is not limited to mediation via the Centre for Effective Dispute Resolution (CEDR).

## Annex A to Appendix 1

### HERTFORDSHIRE GROWTH BOARD STANDING ORDERS

#### **1. Membership**

- 1.1 The HGB will have a voting membership of eleven, each Council being entitled to appoint one voting member.
- 1.2 The HGB may agree to co-opt other non-voting members to its membership where it is considered conducive to the effective consideration of any matter.

#### **2. Alternate or Substitute Members**

- 2.1 Each Council will be entitled to appoint from time to time one named alternate or substitute member who may act in all aspects as a voting member of the HGB in the absence of the voting member appointed.
- 2.2 The LEP and any other co-opted members will be entitled to nominate an alternate or substitute member to act in the absence of their principal co-opted member.
- 2.3 Subject to the discretion of the Chair, the relevant member shall notify the HGB at least 5 working days in advance of the relevant meeting of the identity of their substitute.

#### **3. Term of Office**

- 3.1 The term of office of voting and alternate or substitute voting members shall end:
  - a. if rescinded by the appointing Council; or
  - b. if the member ceases to be a member of the appointing Council.
- 3.2 The LEP member and any co-opted members may at any time ask the HGB to replace their nominated co-opted member and alternate or substitute member by way of further nomination.

#### **4. Appointment of Chair and Vice-Chair**

- 4.1 The HGB shall appoint a Chair and two Vice-Chairs at its first meeting. At the time of appointing the Vice-Chairs, the HGB shall decide which of them takes priority if the Chair is absent and both of them are present.

4.2 The appointment of the Chair described in 4.1 shall be for a term up to the first meeting of the HGB that follows both the 2021 local elections and the 2021 Annual Meetings of the constituent Councils (the **Post-Election Meeting**). At the Post-Election Meeting, the Board may either re-appoint the same member as Chair or appoint a new Chair for a term of two years. Save in the above case, the Chair shall serve a single consecutive term of two years.

4.3 There shall be no term limits for Vice-Chairs.

4.4 The co-opted members of the HGB shall not act in the role of either the Chair or the Vice-Chair of the HGB.

## **5. Quorum**

5.1 The quorum for meetings of the HGB will be 9 voting members.

5.2 If there is no quorum at the published start time for the meeting, a period of ten minutes will be allowed, or longer, at the Chair's discretion. If there remains no quorum at the expiry of this period, the meeting will be declared null and void.

5.3 If there is no quorum at any stage during a meeting, the Chair will adjourn the meeting for a period of ten minutes, or longer, at their discretion. If there remains no quorum at the expiry of this period, the meeting will be closed and the remaining items will be declared null and void.

## **6. Member Conduct**

6.1 HGB members appointed by the eleven Councils shall be bound by the Code of Conduct of their nominating authority. The HGB member appointed by the LEP (and those nominated by other co-opted members) will be bound by the Code of Conduct of Hertfordshire County Council.

6.2 If a member persistently disregards the ruling of the Chair, or person presiding over the meeting, by behaving improperly or offensively or deliberately obstructs business, the Chair, or person presiding over the meeting, may move that the member be not heard further. If seconded, a vote will be taken without discussion.

6.3 If the member continues to behave improperly after such a motion is carried, the Chair, or person presiding over the meeting, may move that either the member leaves the meeting or that the meeting is adjourned for a specified period. If seconded, a vote will be taken without discussion.

## 7. Notice of and Summons to Meetings

- 7.1 Notice will be given to the public of the time and place of any meeting of the HGB in accordance with the Access to Information rules of the Council providing HGB secretariat functions.
- 7.2 At least seven clear working days before a meeting, a copy of the agenda and associated papers will be sent to every member of the HGB. The agenda will give the date, time and place of each meeting and specify the business to be transacted, and will be accompanied by such details as are available.

## 8. Meeting Frequency

- 8.1 The HGB will meet on at least a quarterly basis, or as determined by the HGB, with one of those meetings acting as the annual meeting.
- 8.2 Extraordinary Meetings may be summoned by (i) the Chair, or (ii) any nine councils writing to the Chair to request one. The notice from the Chair or the letter from the nine councils shall state the business of the meeting, and no other business shall be considered.

## 9. Virtual Meetings

- 9.1 The following provisions shall apply to meetings which are scheduled during the period that **The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority Police and Crime Panel Meetings) (England and Wales) Regulations 2020**, or such other legislation as permits meetings to take place remotely, remain in force.
- 9.2 The HGB may hold any meeting remotely using Zoom, Microsoft Teams, or any other suitable platform, and may live-stream the meeting.
- 9.3 Where it elects to do so, notice of this shall be given to the public in advance, and the platform used shall enable the public to see and hear the proceedings. A link will be made available to enable members of the public whose questions have been selected in accordance with Standing Order 12 to address the HGB. Where a public questioner is unable to access the meeting, or cannot be heard by the Members during the time allocated for his or her question, the Chair shall have discretion to move on to deal with another question, or if the question is the last to be heard, to move on to other business.
- 9.4 Voting shall be managed by the Chair, by either (i) requiring members to vote using the applicable poll function, (ii) requiring members to vote orally in turn, or (iii) any other convenient method.

9.5 Where the public and press are excluded under Standing Order 16, members will be required to confirm that there are no other persons present with them who are not entitled to hear or see the proceedings.

9.6 The Quorum provisions at paragraph 5 shall apply equally to virtual meetings.

## **10. Voting**

10.1 Before taking any decision, the local authority members of the HGB will have due regard to the advice and opinions expressed by the LEP member and other co-opted members.

10.2 HGB members commit to seek, where possible, to operate on the basis of consensus.

10.3 Should it not be possible in a specific instance to find a consensus, the issue shall stand deferred to a later meeting of the HGB. At the next meeting, a vote will be again taken and, if a consensus is still not achievable, the decision will be made on the basis of a simple majority.

10.4 The Chair shall have a casting vote; however, the convention of the HGB is that the Chair shall not exercise this.

## **11. Reports from the HGB Scrutiny Committee**

11.1 The HGB will receive reports and recommendations from the HGB Scrutiny Committee as appropriate and the Chair of the HGB Scrutiny Committee, or a nominated representative on his or her behalf, will be entitled to attend meetings of the HGB to present them.

## **12. Questions by the Public and Public Speaking**

12.1 At the discretion of the Chair, members of the public may ask questions at meetings of the HGB. This standard protocol is to be observed by public speakers:

(a) There shall be a maximum of six public questions in each meeting, subject to a time limit of 30 minutes. Questions will be addressed on a first-come-first-served basis with reference to when they were submitted to the HGB, save that questions which in the opinion of the Chair are vexatious shall not be addressed;

(b) Notice of the question should be submitted to the Chief Legal Officer of Hertfordshire County Council by 10am at least five working days before the meeting, stating to whom the question is to be put;

- (c) Questions must be limited to a maximum of 300 words;
- (d) Answers will be given in writing and will be published on the HGB website by 5pm on the day preceding the relevant meeting;
- (e) With the Chair's permission, the questioner may ask a supplementary question relevant to the original question (or its answer). The questioner's supplementary question must not last longer than two minutes. The answer to the supplementary question may be: (i) an oral answer lasting no more than three minutes; or (ii) where the desired information is contained in a publication of the Council, a reference to that publication; or (iii) in writing (to be available within seven days); or (iv) a combination of the above;
- (f) Questioners will not be permitted to raise the competence or performance of a member, officer or representative of any partner on the HGB, nor any matter involving exempt information (normally considered as 'confidential');
- (g) Questioners cannot make any abusive or defamatory comments, or raise points which in the opinion of the Chair are vexatious;
- (h) If any clarification of what the questioner has said is required, the Chair will have the discretion to allow other HGB members to ask questions;
- (i) The questioning member will not be permitted to participate in any subsequent discussion and will not be entitled to vote;
- (j) In the event that one of the questions considered by the Chair is duplicated by later questions, it may be necessary for a spokesperson to be nominated to put forward the question on behalf of other questioners. If a spokesperson cannot be nominated or agreed, the questioner of the first such question received will be entitled to put forward their question; and
- (k) Questions should relate to items that are on the agenda for discussion at the meeting in question. The Chair will have the discretion to allow questions to be asked on other issues.

### **13. Petitions**

13.1 At the discretion of the Chair, members of the public may submit and present petitions to the HGB. This standard protocol is to be observed by petitioners:

- (a) Petitions should include a clear statement of the petition organiser's concerns and what they would like the HGB to do;
- (b) Petitions must relate to something which is within the responsibility of the HGB, or over which it has influence;
- (c) Petitions must include the name and contact details of the petition organiser;
- (d) Petitions must include at least 500 signatures of people living or working in Hertfordshire. Petitions below this threshold will not be presented to the HGB, but HGB members will be notified of them as long as they contain at least 50 signatures;

- (e) Petitions must be submitted either (i) in hard copy, or (ii) via the HGB e-petition platform, in the format prescribed on the HGB portal, at least 10 clear working days before the date of the meeting. Petitions shall be administered by the Democratic Services Team of Hertfordshire County Council;
- (f) Subject to the discretion of the Chair, a maximum of two petitions will be considered at any one meeting;
- (g) Petition organisers will be permitted to present their petitions to the meeting and will be allowed to address the meeting for a maximum of three minutes;
- (h) Where more than one petition is received in time for a particular meeting and they are considered by the Chair as supporting the same outcome or being broadly similar in intent, it may be necessary for a spokesperson to be nominated and present the petitions. If a spokesperson cannot be nominated or agreed, the petition organiser of the first petition received will be entitled to present their petition;
- (i) Petitions will be rejected if the Chair considers them to be abusive or libellous, frivolous, vague or ambiguous, rude, offensive, defamatory, scurrilous or time-wasting or require the disclosure of exempt information (normally considered as 'confidential');
- (j) Petitions on the same subject matter will not be accepted within a six-month period, unless there has been a material change of circumstances. Whether there has been a material change in circumstances will be determined by the Chief Legal Officer of Hertfordshire County Council in consultation with the Chair (or Vice-Chair).

13.2 Any matters arising from petitions considered by the HGB Scrutiny Committee can be reported to the HGB, as per Standing Order 11.

#### **14. Participation at HGB Meetings by Other Members of Partner Councils or Other Representatives of Partner Bodies**

14.1 At the discretion of the Chair, other elected members of the Councils or the LEP or co-opted members may be entitled to speak and participate at meetings of the HGB.

#### **15. Minutes**

15.1 The Chair will sign the minutes of the proceedings at the next suitable meeting. The Chair will move that the minutes of the previous meeting be signed as a correct record.

15.2 The minutes will be accompanied by a list of agreed action points, which may be discussed in considering the minutes of the previous meeting should they not be specifically listed as items on the agenda for the meeting.

## **16. Exclusion of the Public and Press**

16.1 Members of the public and press may be excluded from meetings in accordance with the Access to Information rules of legislation as applied by the administering authority with regard to the consideration of exempt or confidential information.

## **17. Recording of Proceedings**

17.1 The recording in any format of meetings of the HGB is permitted, except:

- a. Where the Chair, or person presiding over the meeting, rules that filming is being undertaken in such a way that is disruptive or distracting to the good order and conduct of the meeting;
- b. Where the public have been excluded from the meeting during the consideration of exempt or confidential information (see Standing Order 16).

## **18. Disturbance by Public**

18.1 If a member of the public interrupts proceedings, the Chair, or person presiding over the meeting, will warn the person concerned. If that person continues to interrupt, the Chair will order his or her removal from the meeting room.

18.2 If there is a general disturbance in any part of the meeting room open to the public, the Chair, or person presiding over the meeting, may call for that part of the room to be cleared.

18.3 If there is a general disturbance making orderly business impossible, the Chair, or person presiding over the meeting, may adjourn the meeting for as long as he or she thinks is necessary.

## **19. Interpretation of Standing Orders**

19.1 The ruling of the Chair of the HGB as to the application of these Standing Orders shall be final.



## **20. Suspension of Standing Orders**

- 20.1 With the exception of Standing Orders 4, 5, 7.1, 8, 10 and 15, and as far as is lawful, any of these Standing Orders may be suspended by motion passed unanimously by those entitled to vote.

## Appendix 2

### HERTFORDSHIRE GROWTH BOARD SCRUTINY COMMITTEE TERMS OF REFERENCE

#### **1. Parties**

Hertfordshire County Council  
Borough of Broxbourne Council  
Dacorum Borough Council  
East Hertfordshire District Council  
Hertsmere Borough Council  
North Hertfordshire District Council  
St Albans City and District Council  
Stevenage Borough Council  
Three Rivers District Council  
Watford Borough Council  
Welwyn Hatfield Borough Council

#### **2. Status**

The Hertfordshire Growth Board Scrutiny Committee has been established by the Councils listed above. It is a joint advisory committee of these Councils, established under section 102(4) of the Local Government Act, 1972.

#### **3. Membership**

- 3.1 One elected member appointed by each of the member Councils and one member appointed by the LEP (total 12).

#### **4. Functions of the HGB Scrutiny Committee**

- 4.1 The HGB Scrutiny Committee is established to advise the HGB with regard to the latter's role in achieving the objectives in the HGB Terms of Reference.
- 4.2 The HGB Scrutiny Committee will act as a forum for discussion with a wider range of members and stakeholders across the Hertfordshire area, so that the HGB benefits from a wider range of expertise in making its decisions.
- 4.3 To this end, the HGB Scrutiny Committee may receive and comment on ("pre-scrutinise") reports to the HGB, may offer advice to the HGB on the discharge of its functions and may review its work.

4.4 The HGB Scrutiny Committee shall develop its own Forward Plan and may submit reports or recommendations to the HGB for consideration, as appropriate.

**5. Professional and Administrative Support**

5.1 Committee management and administrative support to the HGB Scrutiny Committee will be provided by Hertfordshire County Council.

5.2 Other professional support will be provided to the HGB Scrutiny Committee on an ad hoc basis as agreed between the Councils.

**6. Standing Orders**

The HGB Scrutiny Committee will be governed by the Standing Orders set out in Annex A attached to these Terms of Reference.

**7. Costs**

The costs of running the HGB Scrutiny Committee will be funded from the HGB Growth Fund.

## Appendix 2 – Annex A

### HERTFORDSHIRE GROWTH BOARD SCRUTINY COMMITTEE STANDING ORDERS

#### **1. Membership**

- 1.1 The HGB Scrutiny Committee will have a membership of 12, with each Council and the LEP being entitled to appoint one member. Members must not be executive members of their appointing authority.

#### **2. Alternate or Substitute Members**

- 2.1 Each Council will be entitled to appoint one named alternate or substitute member who may act in all aspects as a voting member of the HGB in the absence of the voting member appointed.
- 2.2 Subject to the discretion of the Chair, the relevant member shall notify the HGB at least 5 working days in advance of the relevant meeting of the identity of their substitute.

#### **3. Term of Office**

- 3.1 The term of office of members from the Councils shall end:
- a. if rescinded by the appointing Council; or
  - b. if the member ceases to be a member of the appointing Council.

#### **4. Appointment of Chair and Vice-Chair**

- 4.1 The HGB Scrutiny Committee will appoint a Chair and Vice-Chair at its first meeting.
- 4.2 The appointment of the Chair described in 4.1 shall be for a term up to the first meeting of the HGB Scrutiny Committee that follows both the 2021 local elections and the 2021 Annual Meetings of the constituent Councils (the **Post-Election Meeting**). At the Post-Election Meeting, the HGB Scrutiny Committee may either re-appoint the same member as Chair, or appoint a new Chair for a term of two years. Save in the above case, the Chair shall serve a single consecutive term of two years.
- 4.3 There shall be no term limits for Vice-Chairs.

4.4 Where there are three or more candidates for appointment and there is, after balloting, no candidate with a clear majority, meaning in this case the votes of more than 50% of members present and voting, the candidate with the least number of votes will withdraw and there will be a fresh ballot of remaining candidates; and so on until a candidate has that majority.

## **5. Quorum**

5.1 The quorum for meetings of the HGB Scrutiny Committee will be 7 members.

5.2 If there is no quorum at the published start time for the meeting, a period of ten minutes will be allowed, or longer, at the Chair's discretion. If there remains no quorum at the expiry of this period, the meeting will be declared null and void.

5.3 If there is no quorum at any stage during a meeting, the person presiding over the meeting will adjourn for a period of ten minutes, or longer, at their discretion. If there remains no quorum at the expiry of this period, the meeting will be closed and the remaining items will be declared null and void.

## **6. Member Conduct**

6.1 HGB Scrutiny Committee members appointed by the Councils shall be bound by the Code of Conduct of their nominating authority.

6.2 If a member persistently disregards the ruling of the Chair, or person presiding over the meeting, by behaving improperly or offensively or deliberately obstructs business, the Chair, or person presiding over the meeting, may move that the member be not heard further. If seconded, a vote will be taken without discussion.

6.3 If the member continues to behave improperly after such a motion is carried, the Chair, or person presiding over the meeting, may move that either the member leaves the meeting or that the meeting is adjourned for a specified period. If seconded, a vote will be taken without discussion.

## **7. Notice of and Summons to Meetings**

7.1 Notice will be given to the public of the time and place of any meeting of the HGB Scrutiny Committee in accordance with the Access to Information rules of Hertfordshire County Council.

7.2 At least five clear working days before a meeting, a copy of the agenda and associated papers will be sent to every member of the HGB Scrutiny Committee. The agenda will give the date, time and place of each meeting; specify the business to be transacted, and will be accompanied by such details as are available.

## 8. Meeting Frequency

- 8.1 The HGB Scrutiny Committee may set its own timetable for meetings, normally on a date preceding meetings of the HGB in order to allow the HGB Scrutiny Committee to consider issues the HGB will be taking decisions on and advise accordingly.

## 9. Virtual Meetings

- 9.1 The following provisions shall apply to meetings which are scheduled during the period that **The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority Police and Crime Panel Meetings) (England and Wales) Regulations 2020**, or such other legislation as permits meetings to take place remotely, remain in force.
- 9.2 The HGB may hold any meeting remotely using Zoom, Microsoft Teams, or any other suitable platform, and may live-stream the meeting.
- 9.3 Where it elects to do so, notice of this shall be given to the public in advance, and the platform used shall enable the public to see and hear the proceedings. A link will be made available to enable members of the public whose questions have been selected in accordance with Standing Order 12 to address the HGB. Where a public questioner is unable to access the meeting, or cannot be heard by the Members during the time allocated for his or her question, the Chair shall have discretion to move on to deal with another question, or if the question is the last to be heard, to move on to other business.
- 9.4 Voting shall be managed by the Chair, by either (i) requiring members to vote using the applicable poll function, (ii) requiring members to vote orally in turn, or (iii) any other convenient method.
- 9.5 Where the public and press are excluded under Standing Order 16, members will be required to confirm that there are no other persons present with them who are not entitled to hear or see the proceedings.
- 9.6 The Quorum provisions at paragraph 5 shall apply equally to virtual meetings.

## Voting

- 10.1 All HGB Scrutiny Committee members will be voting members.
- 10.2 Voting for meetings of the HGB Scrutiny Committee will be conducted on the basis of a simple majority. The Chair shall have a casting vote; the convention shall be that the Chair shall not exercise this.

## **11. Reports from the HGB Scrutiny Committee to the HGB**

- 11.1 The Chair of the HGB Scrutiny Committee, or a nominated representative on his or her behalf, will be entitled to attend meetings of the HGB to present reports from the HGB Scrutiny Committee as appropriate.

## **12. Questions by the Public and Public speaking**

- 12.1 At the discretion of the Chair, members of the public may ask questions at meetings of the HGB Scrutiny Committee. This standard protocol is to be observed by public speakers:

- (a) There shall be a maximum of six public questions in each meeting, subject to a time limit of 30 minutes. Questions will be addressed on a first-come-first-served basis with reference to when they were submitted to the HGB, save that questions which in the opinion of the Chair are vexatious shall not be addressed;
- (b) Notice of the question should be submitted the Chief Legal Officer of Hertfordshire County Council at the latest by 10am three working days before the meeting;
- (c) Questions must be limited to a maximum of 300 words;
- (d) Answers will be given in writing and will be circulated at the meeting;
- (e) With the Chair's permission, the questioner may ask a supplementary question relevant to the original question (or its answer). The questioner's supplementary question must not last longer than two minutes. The answer to the supplementary question may be: (i) an oral answer lasting no more than three minutes; or (ii) where the desired information is contained in a publication of the Council, a reference to that publication; or (iii) in writing (to be available within seven days); or (iv) a combination of the above;
- (f) Questioners will not be permitted to raise the competence or performance of a member of the HGB Scrutiny Committee or the HGB, nor any matter involving exempt information (normally considered as 'confidential');
- (g) Questioners cannot make any abusive or defamatory comments, or raise points which in the opinion of the Chair are vexatious;
- (h) If any clarification of what the questioner has said is required, the Chair will have the discretion to allow other HGB Scrutiny Committee members to ask questions;
- (i) The questioning member will not be permitted to participate in any subsequent discussion and will not be entitled to vote;
- (j) In the event that one of the questions considered by the Chair is duplicated by later questions, it may be necessary for a spokesperson to be nominated to put forward the question on behalf of other questioners. If a

spokesperson cannot be nominated or agreed, the questioner of the first such question received will be entitled to put forward their question; and

(k) Questions should relate to items that are on the agenda for discussion at the meeting in question. However, the Chair will have discretion to allow questions to be asked on other issues.

### **13. Petitions**

13.1 At the discretion of the Chair, members of the public may submit and present petitions to the HGB Scrutiny Committee. This standard protocol is to be observed by petitioners:

(a) Petitions should include a clear statement of the petition organiser's concerns and what they would like the HGB Scrutiny Committee to do;

(b) Petitions must relate to something which is within the responsibility of the HGB Scrutiny Committee, or over which it has influence;

(c) Petitions must include the name and contact details of the petition organiser;

(d) Petitions must include at least 500 signatures of people living or working in Hertfordshire. Petitions below this threshold will not be presented to the HGB Scrutiny Committee, but HGB Scrutiny Committee members will be notified of them as long as they contain at least 50 signatures;

(e) Petitions must be submitted either (i) in hard copy, or (ii) via the HGB e-petition platform, in the format prescribed on the HGB portal, at least 10 clear working days before the date of the meeting. Petitions shall be administered by the Democratic Services Team of Hertfordshire County Council;

(f) Subject to the discretion of the Chair, a maximum of two petitions will be considered at any one meeting;

(g) Petition organisers will be permitted to present their petitions to the meeting and will be allowed to address the meeting for a maximum of three minutes;

(h) Where more than one petition is received in time for a particular meeting and they are considered by the Chair as supporting the same outcome or being broadly similar in intent, it may be necessary for a spokesperson to be nominated and present the petitions. If a spokesperson cannot be nominated or agreed, the petition organiser of the first petition received will be entitled to present their petition;

(i) Petitions will be rejected if the Chair considers them to be abusive or libellous, frivolous, vague or ambiguous, rude, offensive, defamatory, scurrilous or time-wasting or require the disclosure of exempt information (normally considered as 'confidential');

(j) Petitions on the same subject matter will not be accepted within a six-month period, unless there has been a material change of circumstances.



Whether there has been a material change in circumstances will be determined by the Chief Legal Officer of Hertfordshire County Council in consultation with the Chair (or Vice-Chair).

13.2 Any matters arising from petitions considered by the HGB Scrutiny Committee can be reported to the HGB as per Standing Order 10.

#### **14. Participation at HGB Scrutiny Committee Meetings by Other Members of Partner Councils or Other Representatives of Partner Bodies**

14.1 At the discretion of the Chair, other elected members of the Councils, or representatives from the LEP or other co-opted members, may be entitled to speak and participate at meetings of the HGB Scrutiny Committee.

#### **15. Minutes**

15.1 The Chair will sign the minutes of the proceedings at the next suitable meeting. The Chair will move that the minutes of the previous meeting be signed as a correct record. The only part of the minutes that can be discussed is their accuracy.

15.2 The minutes will be accompanied by a list of agreed action points, which may be discussed in considering the minutes of the previous meeting should they not be specifically listed as items on the agenda for the meeting.

#### **16. Exclusion of the Public and Press**

16.1 Members of the public and press may be excluded from meetings in accordance with the Access to Information legislation as applied by the administering authority with regard to the consideration of exempt or confidential information.

#### **17. Recording of Proceedings**

17.1 The recording in any format of meetings of the HGB Scrutiny Committee is permitted, except:

- a. Where the Chair, or person presiding over the meeting, rules that filming is being undertaken in such a way that is disruptive or distracting to the good order and conduct of the meeting; and/or
- b. Where the public have been excluded from the meeting during the consideration of exempt or confidential information (see standing order 16).

## **18. Disturbance by the Public**

- 18.1 If a member of the public interrupts proceedings, the Chair, or person presiding over the meeting, will warn the person concerned. If the individual continues to interrupt, the Chair will order his or her removal from the meeting room.
- 18.2 If there is a general disturbance in any part of the meeting room open to the public, the Chair, or person presiding over the meeting, may call for that part of the room to be cleared.
- 18.3 If there is a general disturbance making orderly business impossible, the Chair, or person presiding over the meeting, may adjourn the meeting for as long as he or she thinks is necessary.

## **19. Interpretation of Standing Orders**

- 19.1 The ruling of the Chair as to the application of these Standing Orders shall be final.

## **20. Suspension of Standing Orders**

- 20.1 With the exception of Standing Orders 5, 7.1, 10 and 15, and as far as is lawful, any of these Standing Orders may, as far as is lawful, be suspended by motion passed unanimously by those entitled to vote.



**Hertfordshire**  
Growth Board



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East Herts District  
Council Annual  
Treasury  
Management  
Review 2019/20

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*Outturn Report 2019/20*

## ABBREVIATIONS USED IN THIS REPORT

**ALMO:** an Arm's Length Management Organisation is a not-for-profit company that provides housing services on behalf of a local authority. Usually an ALMO is set up by the authority to manage and improve all or part of its housing stock.

**LAS:** Link Asset Services, Treasury solutions – the council's treasury management advisers.

**CE:** Capital Economics - is the economics consultancy that provides Link Asset Services, Treasury solutions, with independent economic forecasts, briefings and research.

**CFR:** capital financing requirement - the council's annual underlying borrowing need to finance capital expenditure and a measure of the council's total outstanding indebtedness.

**CIPFA:** Chartered Institute of Public Finance and Accountancy – the professional accounting body that oversees and sets standards in local authority finance and treasury management.

**CPI:** consumer price index – the official measure of inflation adopted as a common standard by countries in the EU. It is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care. It is calculated by taking price changes for each item in the predetermined basket of goods and averaging them.

**ECB:** European Central Bank - the central bank for the Eurozone

**EU:** European Union

**EZ:** Eurozone -those countries in the EU which use the euro as their currency

**Fed:** the Federal Reserve System, often referred to simply as "the Fed," is the central bank of the United States. It was created by the Congress to provide the nation with a stable monetary and financial system.

**FOMC:** the Federal Open Market Committee – this is the branch of the Federal Reserve Board which determines monetary policy in the USA by setting interest rates and determining quantitative easing policy. It is composed of 12 members--the seven members of the Board of Governors and five of the 12 Reserve Bank presidents.

**GDP:** gross domestic product – a measure of the growth and total size of the economy.

**G7:** the group of seven countries that form an informal bloc of industrialised democracies--the United States, Canada, France, Germany, Italy, Japan, and the United Kingdom--that meets annually to discuss issues such as global economic governance, international security, and energy policy.

**Gilts:** gilts are bonds issued by the UK Government to borrow money on the financial markets. Interest paid by the Government on gilts is called a coupon and is at a rate that is fixed for the duration until maturity of the gilt, (unless a gilt is index linked to inflation); while the coupon rate is fixed, the yields will change inversely to the price of gilts i.e. a rise in the price of a gilt will mean that its yield will fall.

**HRA:** housing revenue account.

**IMF:** International Monetary Fund - the lender of last resort for national governments which get into financial difficulties.

**LIBID:** the London Interbank Bid Rate is the rate bid by banks on deposits i.e., the rate at which a bank is willing to borrow from other banks. It is the "other end" of the LIBOR (an offered, hence "ask" rate, the rate at which a bank will lend).

**MHCLG:** the Ministry of Housing, Communities and Local Government -the Government department that directs local authorities in England.

**MPC:** the Monetary Policy Committee is a committee of the Bank of England, which meets for one and a half days, eight times a year, to determine monetary policy by setting the official interest rate in the United Kingdom, (the Bank of England Base Rate, commonly called Bank Rate), and by making decisions on quantitative easing.

**MRP:** minimum revenue provision -a statutory annual minimum revenue charge to reduce the total outstanding CFR, (the total indebtedness of a local authority).

**PFI:** Private Finance Initiative – capital expenditure financed by the private sector i.e. not by direct borrowing by a local authority.

**PWLB:** Public Works Loan Board – this is the part of H.M. Treasury which provides loans to local authorities to finance capital expenditure.

**QE:** quantitative easing – is an unconventional form of monetary policy where a central bank creates new money electronically to buy financial assets, such as government bonds, (but may also include corporate bonds). This process aims to stimulate economic growth through increased private sector spending in the economy and also aims to return inflation to target. These purchases increase the supply of liquidity to the economy; this policy is employed when lowering interest rates has failed to stimulate economic growth to an acceptable level and to lift inflation to target. Once QE has achieved its objectives of stimulating growth and inflation, QE will be reversed by selling the bonds the central bank had previously purchased, or by not replacing debt that it held which matures. The aim of this reversal is to ensure that inflation does not exceed its target once the economy recovers from a sustained period of depressed growth and inflation. Economic growth, and increases in inflation, may threaten to gather too much momentum if action is not taken to ‘cool’ the economy.

**RPI:** the Retail Price Index is a measure of inflation that measures the change in the cost of a representative sample of retail goods and services. It was the UK standard for measurement of inflation until the UK changed to using the EU standard measure of inflation – CPI. The main differences between RPI and CPI is in the way that housing costs are treated and that the former is an arithmetical mean whereas the latter is a geometric mean. RPI is often higher than CPI for these reasons.

**TMSS:** the annual treasury management strategy statement reports that all local authorities are required to submit for approval by the full council before the start of each financial year.

**VRP:** a voluntary revenue provision to repay debt, in the annual budget, which is additional to the annual MRP charge, (see above definition).



# Annual Treasury Management Review 2019/20

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## 1. Introduction

This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2019/20. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management, (the Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).

During 2019/20 the minimum reporting requirements were that the full Council should receive the following reports:

- an annual treasury strategy in advance of the year (Council 05/03/2019)
- a mid-year (minimum) treasury update report (Council 18/12/2019)
- an annual review following the end of the year describing the activity compared to the strategy (this report)

The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.

This Council confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Performance, Audit, Governance and Scrutiny Committee before they were reported to the full Council.

## 2. The Council's Capital Expenditure and Financing

The Council undertakes capital expenditure on long-term assets. These activities may either be:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
- If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.

The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

<b>£m</b>	<b>2018/19 Actual</b>	<b>2019/20 Budget</b>	<b>2019/20 Actual</b>
Capital expenditure	6.2	15.5	10.8
Financed in year	(6.2)	(10.4)	(6.3)
<b>Unfinanced capital expenditure</b>	-	<b>5.1</b>	<b>4.5</b>

## 3. The Council's Overall Borrowing Need

The Council's underlying need to borrow to finance capital expenditure is termed the Capital Financing Requirement (CFR).

**Gross borrowing and the CFR** - in order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year (2019/20) plus the estimates of any additional capital financing requirement for the current (2020/21) and next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure. This indicator allowed the Council some flexibility to borrow in advance of its immediate capital needs in 2019/20. The table below highlights the Council's gross borrowing position against the CFR. The Council has complied with this prudential indicator.

£m	31 March 2019 Actual	31 March 2020 Budget	31 March 2020 Actual
CFR General Fund (£m)	(23.1)	(12.7)	(18.5)
Gross borrowing position	7.5	7.5	7.5
Under/( over) funding of CFR	(7.5)	(7.5)	(7.5)

*\*Note, significant variation between 2020 Budget and Actual due to major project spend re-profiling.*

**The authorised limit** - the authorised limit is the “affordable borrowing limit” required by s3 of the Local Government Act 2003. Once this has been set, the Council does not have the power to borrow above this level. The table below demonstrates that during 2019/20 the Council has maintained gross borrowing within its authorised limit.

**The operational boundary** – the operational boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the boundary are acceptable subject to the authorised limit not being breached.

**Actual financing costs as a proportion of net revenue stream** - this indicator identifies the trend in the cost of capital, (borrowing and other long term obligation costs net of investment income), against the net revenue stream.

£m	2019/20
Authorised limit	£11.5m
Maximum gross borrowing position during the year	£7.5m
Operational boundary	£7.5m
Average gross borrowing position	£7.5m

## 4. Treasury Position as at 31 March 2020

At the beginning and the end of 2019/20 the Council's treasury, (excluding borrowing by finance leases), position was as follows:

DEBT PORTFOLIO	31 March 2019 Principal	Rate/ Return	Average Life yrs	31 March 2020 Principal	Rate/ Return	Average Life yrs
<b>Fixed rate funding:</b>						
-PWLB	£1.5m	8.875%	36	£1.5m	8.875%	35
-Market	£6.0m	8.785%	1	£6.0m	8.785%	
<b>Variable rate funding:</b>						
-PWLB	-			-		
-Market	-			-		
<b>Total debt</b>	<b>£7.5m</b>			<b>£7.5m</b>		
<b>CFR</b>	<b>(£23.1m)</b>			<b>(£18.5m)</b>		
<b>(Over) / under borrowing</b>	<b>(£7.5m)</b>			<b>(£7.5m)</b>		
<b>Total investments</b>	<b>£60.7m</b>			<b>£58.2m</b>		
<b>Net debt</b>	<b>(£53.2m)</b>			<b>(£50.7m)</b>		

The maturity structure of the debt portfolio was as follows:

	31 March 2019 actual	2019/20 original limits	31 March 2020 actual
Under 12 months	£0.00m	£0.00m	£6.00m
12 months and within 24 months	£6.00m	£6.00m	£0.00m
24 months and within 5 years	£0.00m	£0.00m	£0.00m
5 years and within 10 years	£0.00m	£0.00m	£0.00m
10 years and within 20 years	£0.00m	£0.00m	£0.00m
20 years and within 30 years	£0.00m	£0.00m	£0.00m
30 years and within 40 years	£1.50m	£1.50m	£1.50m
40 years and within 50 years	£0.00m	£0.00m	£0.00m

<b>INVESTMENT PORTFOLIO</b>	<b>Actual 31.3.19 £000</b>	<b>Actual 31.3.19 %</b>	<b>Actual 31.3.20 £000</b>	<b>Actual 31.3.20 %</b>
<b>Treasury investments</b>				
Banks	40.7	67%	31.7	55%
Building Societies - rated	-	-	-	-
Building Societies - unrated	-	-	-	-
Local authorities	-	-	6.5	11%
DMADF (H M Treasury)	-	-	-	-
<b>Total managed in house</b>	<b>40.7</b>	<b>67%</b>	<b>38.2</b>	<b>66%</b>
Property funds	20.0	33%	20.0	34%
<b>Total managed externally</b>	<b>20.0</b>	<b>33%</b>	<b>20.0</b>	<b>34%</b>
<b>TOTAL TREASURY INVESTMENTS</b>	<b>60.7</b>	<b>100%</b>	<b>58.2</b>	<b>100%</b>

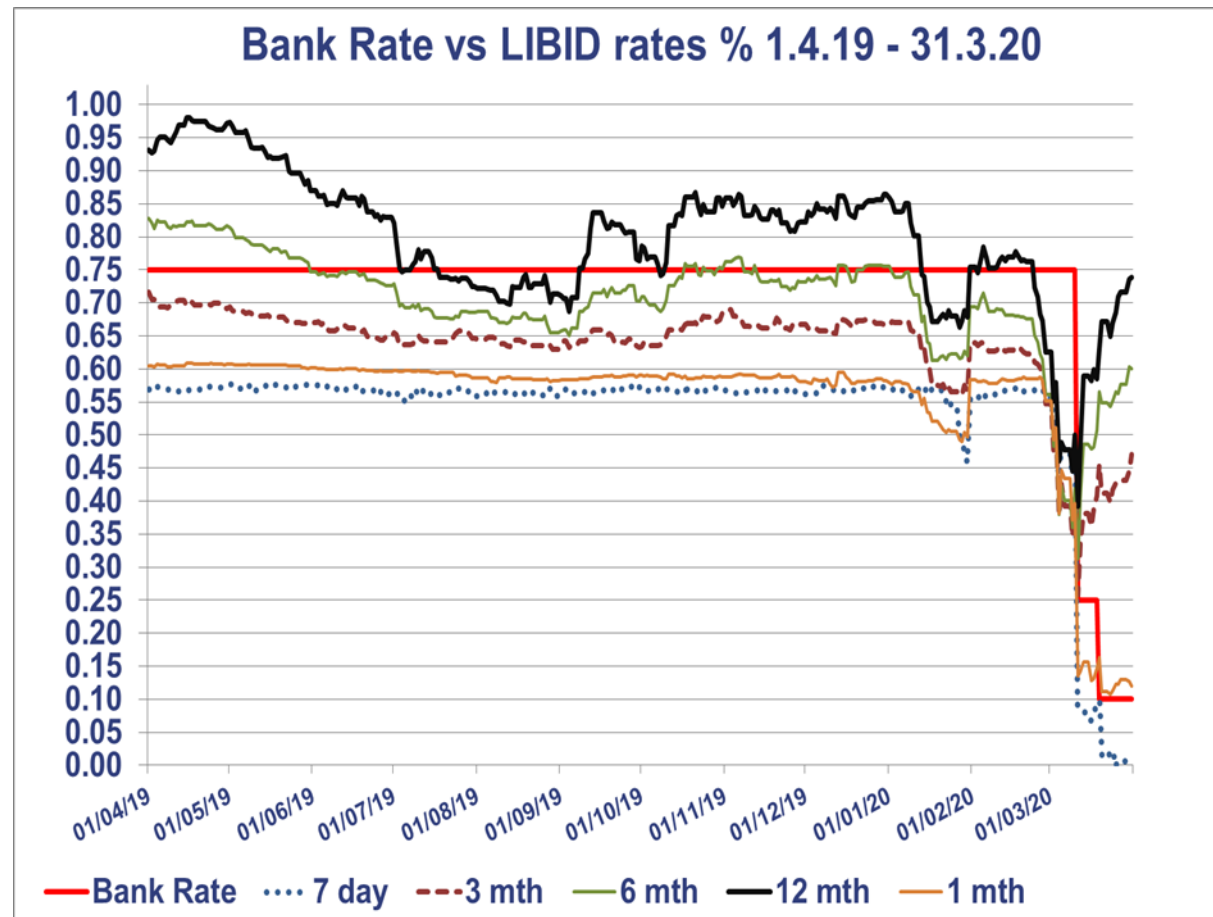
<b>Non Treasury investments</b>				
Wholly owned company (loan)	0.5	4%	1.4	8%
Wholly owned company (equity share)	0.3	2%	0.9	5%
Property	13.6	94%	15.5	87%
<b>TOTAL NON TREASURY INVESTMENTS</b>	<b>14.4</b>	<b>100%</b>	<b>17.8</b>	<b>100%</b>

<b>Treasury investments</b>	<b>60.7</b>	<b>81%</b>	<b>58.2</b>	<b>77%</b>
<b>Non Treasury investments</b>	<b>14.4</b>	<b>19%</b>	<b>17.8</b>	<b>23%</b>
<b>TOTAL OF ALL INVESTMENTS</b>	<b>75.1</b>	<b>100%</b>	<b>76.0</b>	<b>100%</b>

Setting aside property funds and Non Treasury investments, the maturity structure of the remaining investment portfolio was all under one year.

## 5. The strategy for 2019/20

### 5.1 Investment strategy and control of interest rate risk



Investment returns remained low during 2019/20. The expectation for interest rates within the treasury management strategy for 2019/20 was that Bank Rate would stay at 0.75% during 2019/20 as it was not expected that the MPC would be able to deliver on an increase in Bank Rate until the Brexit issue was finally settled. However, there was an expectation that Bank Rate would rise after that issue was settled, but would only rise to 1.0% during 2020.

Rising concerns over the possibility that the UK could leave the EU at the end of October 2019 caused longer term investment rates to be on a falling trend for most of April to September. They then rose after the end of October deadline was rejected by the Commons but fell back again in January before recovering again after the 31 January departure of the UK from the EU. When the coronavirus outbreak hit the UK in February/March, rates initially plunged

but then rose sharply back up again due to a shortage of liquidity in financial markets. As longer term rates were significantly higher than shorter term rates during the year, value was therefore sought by placing longer term investments where cash balances were sufficient to allow this.

While the Council has taken a cautious approach to investing, it is also fully appreciative of changes to regulatory requirements for financial institutions in terms of additional capital and liquidity that came about in the aftermath of the financial crisis. These requirements have provided a far stronger basis for financial institutions, with annual stress tests by regulators evidencing how institutions are now far more able to cope with extreme stressed market and economic conditions.

Investment balances have been kept to a minimum through the agreed strategy of using reserves and balances to support internal borrowing, rather than borrowing externally from the financial markets. External borrowing would have incurred an additional cost, due to the differential between borrowing and investment rates as illustrated in the charts shown above and below. Such an approach has also provided benefits in terms of reducing the counterparty risk exposure, by having fewer investments placed in the financial markets.

## **5.2 Borrowing strategy and control of interest rate risk**

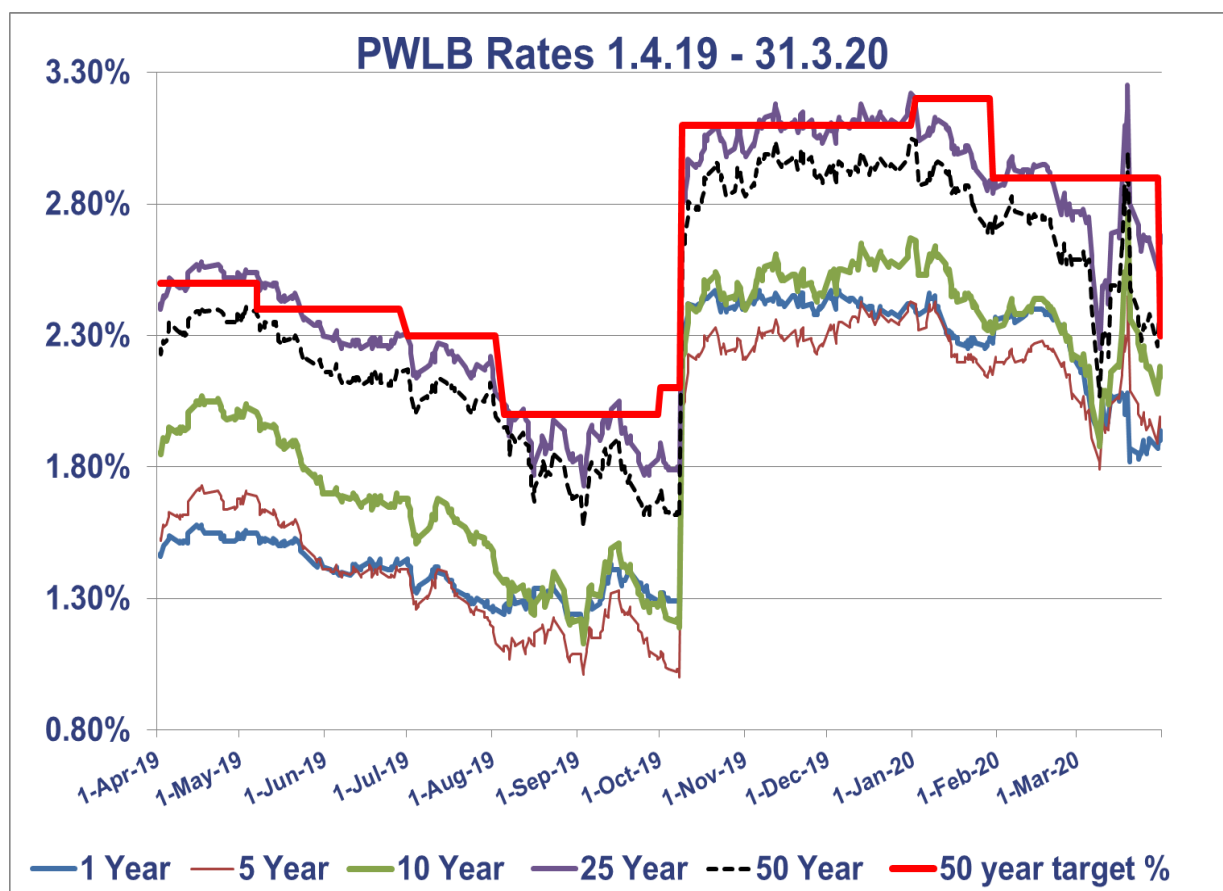
The Council's capital financing requirement (CFR) for as at 31<sup>st</sup> March 2020 was (£18.5m). The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. The Council has historic borrowings of £7.5m, of which £6m is maturing in May2020.

The Council is currently in a negative CFR position. This means that the capital borrowing need (the Capital Financing Requirement), has not been reached due to the level of the Council's reserves. Therefore no further borrowing was undertaken during this 2019/20.

The policy of running down spare cash balances, has served well over the last few years. However, this was kept under review to avoid incurring higher borrowing costs in the future when this authority may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt.

Interest rate forecasts expected only gradual rises in medium and longer term fixed borrowing rates during 2019/20 and the two subsequent financial years. Variable, or short-term rates, were expected to be the cheaper form of borrowing over the period.

Link Asset Services Interest Rate View 31.1.20													
	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-21	Sep-21	Dec-21	Mar-22
Bank Rate View	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.25	1.25	1.25	1.25
3 Month LIBID	0.70	0.70	0.80	0.80	0.90	1.00	1.00	1.10	1.20	1.30	1.30	1.30	1.30
6 Month LIBID	0.80	0.80	0.90	1.00	1.00	1.10	1.20	1.30	1.40	1.50	1.50	1.50	1.50
12 Month LIBID	0.90	0.90	1.00	1.10	1.20	1.30	1.40	1.50	1.60	1.70	1.70	1.70	1.70
5yr PWLB Rate	2.30	2.30	2.40	2.40	2.50	2.60	2.70	2.80	2.50	2.60	2.70	2.80	3.10
10yr PWLB Rate	2.50	2.50	2.60	2.60	2.70	2.80	2.90	3.00	2.70	2.80	2.90	3.00	3.30
25yr PWLB Rate	3.00	3.00	3.10	3.20	3.30	3.40	3.50	3.60	3.30	3.40	3.50	3.60	3.90
50yr PWLB Rate	2.90	2.90	3.00	3.10	3.20	3.30	3.40	3.50	3.20	3.30	3.40	3.50	3.80





PWLB rates are based on, and are determined by, gilt (UK Government bonds) yields through H.M.Treasury determining a specified margin to add to gilt yields. There was much speculation during the second half of 2019 that bond markets were in a bubble which was driving bond prices up and yields down to historically very low levels. The context for that was heightened expectations that the US could have been heading for a recession in 2020, and a general background of a downturn in world economic growth, especially due to fears around the impact of the trade war between the US and China, together with inflation generally at low levels in most countries and expected to remain subdued; these conditions were conducive to very low bond yields. While inflation targeting by the major central banks has been successful over the last 30 years in lowering inflation expectations, the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers: this means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc. This has pulled down the overall level of interest rates and bond yields in financial markets over the last 30 years. We have therefore seen, over the last year, many bond yields up to 10 years in the Eurozone turn negative. In addition, there has, at times, been an inversion of bond yields in the US whereby 10 year yields have fallen below shorter term yields. In the past, this has been a precursor of a recession. The other side of this coin is that bond prices are elevated as investors would be expected to be moving out of riskier assets i.e. shares, in anticipation of a downturn in corporate earnings and so selling out of equities.

Gilt yields were on a generally falling trend during the last year up until the coronavirus crisis hit western economies. Since then, gilt yields have fallen sharply to unprecedented lows as investors have panicked in selling shares in anticipation of impending recessions in western economies, and moved cash into safe haven assets i.e. government bonds. However, major western central banks also started quantitative easing purchases of government bonds which will act to maintain downward pressure on government bond yields at a time when there is going to be a huge and quick expansion of government expenditure financed by issuing government bonds; (this would normally cause bond yields to rise). At the close of the day on 31 March, all gilt yields from 1 to 5 years were between 0.12 – 0.20% while even 25-year yields were at only 0.83%.

However, HM Treasury has imposed **two changes in the margins over gilt yields for PWLB rates** in 2019-20 without any prior warning; the first on 9 October 2019, added an additional 1% margin over gilts to all PWLB rates. That increase was then partially reversed for some forms of borrowing on 11 March 2020, at the same time as the Government announced in the Budget a

programme of increased spending on infrastructure expenditure. It also announced that there would be a consultation with local authorities on possibly further amending these margins; this ends on 4 June. It is clear that the Treasury intends to put a stop to local authorities borrowing money from the PWLB to purchase commercial property if the aim is solely to generate an income stream.

Following the changes on 11 March 2020 in margins over gilt yields, the current situation is as follows: -

- **PWLB Standard Rate** is gilt plus 200 basis points (G+200bps)
- **PWLB Certainty Rate** is gilt plus 180 basis points (G+180bps)
- **Local Infrastructure Rate** is gilt plus 60bps (G+60bps)

There is likely to be little upward movement in PWLB rates over the next two years as it will take national economies a prolonged period to recover all the momentum they will lose in the sharp recession that will be caused during the coronavirus shut down period. Inflation is also likely to be very low during this period and could even turn negative in some major western economies during 2020-21.

## Borrowing Outturn

### **Borrowing**

No borrowing was undertaken during the year.

### **Borrowing in advance of need**

The Council has not borrowed in advance of its needs, purely in order to profit from the investment of the extra sums borrowed.

### **Rescheduling**

No rescheduling was done during the year as the average 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.

### **Repayments**

No repayments were made by the Council during the year.

## 6. Investment Outturn

**Investment Policy** – the Council’s investment policy is governed by MHCLG investment guidance, which has been implemented in the annual investment strategy approved by the Council on 5<sup>th</sup> March 2019. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data, (such as rating outlooks, credit default swaps, bank share prices etc.).

The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

**Resources** – the Council’s cash balances comprise revenue and capital resources and cash flow monies. The Council’s core cash resources comprised as follows:

<b>Balance Sheet Resources (£m)</b>	<b>31 March 2019</b>	<b>31 March 2020</b>
Working Capital & General Fund Balances	<b>10.2</b>	<b>11.4</b>
CFR	<b>23.1</b>	<b>18.5</b>
Over Borrowing	<b>7.5</b>	<b>7.5</b>
Earmarked reserves	<b>12.0</b>	<b>12.6</b>
Provisions	<b>3.6</b>	<b>2.5</b>
Collection Fund	<b>0.5</b>	<b>1.0</b>
Capital Grants	<b>0.3</b>	<b>0.3</b>
General Fund	<b>3.8</b>	<b>3.8</b>
<b>Total</b>	<b>61.0</b>	<b>57.6</b>

### Investments held by the Council

- The Council maintained an average balance of **£44.1m** of internally managed funds.
- The internally managed funds earned an average rate of return of **0.84%**.
- This is above comparable performance indicators listed below:

7 day LIBID uncompounded	0.5338%
7 day LIBID compounded weekly	0.5445%

1 month uncompounded	0.5569%
1 month uncompounded	0.5895%
3 month uncompounded	0.6339%
3 month compounded quarterly	0.6667%
7 day LIBID uncompounded	0.7046%
7 day LIBID compounded weekly	0.7705%

- Total investment income was **£1.239m** compared to a budget of **£0.990m**

### Investments held by fund managers – Property Funds

The Council approved the use of property funds up to a value of £20m, at the time of investment. Working with our advisors Link Asset Services, two funds were chosen, Lothbury Property Trust and Hermes Property Unit Trust. Both funds had waiting lists to invest. The invitation to invest in the Lothbury fund arose in June 2015 and the Hermes fund in December 2015. The performances of these funds for 2019/20 are detailed below:

Fund Manager	Investments Held	Return
Lothbury Property Trust	£10.0m	3.37%
Hermes Property Unit Trust	£10.0m	3.44%
<b>Total</b>	<b>£20.0m</b>	<b>3.40%</b>

## 7. Other Issues

### **1. IFRS 9 fair value of investments**

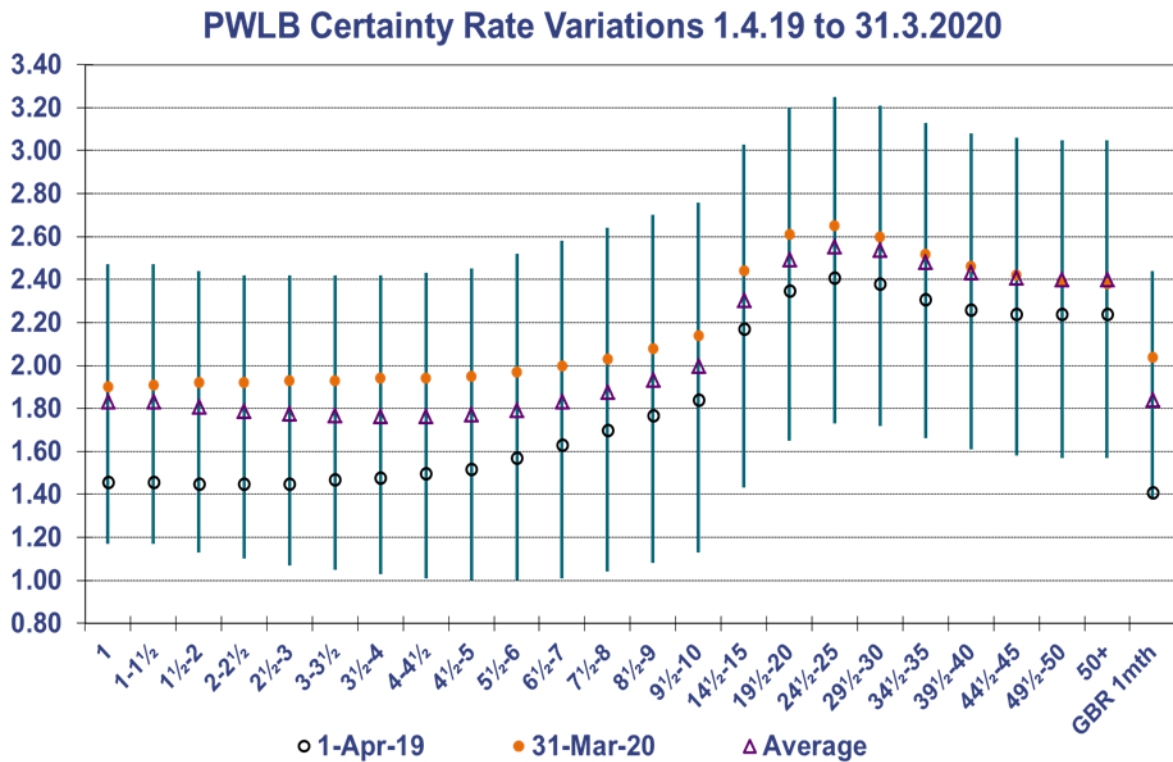
Following the consultation undertaken by the Ministry of Housing, Communities and Local Government, [MHCLG], on IFRS 9 the Government has introduced a mandatory statutory override for local authorities to reverse out all unrealised fair value movements resulting from pooled investment funds. This will be effective from 1 April 2018 for 2018/19. The statutory override applies for five years from this date. Local authorities are required to disclose the net impact of the unrealised fair value movements in a separate unusable reserve throughout the duration of the override in order for the Government to keep the override under review and to maintain a form of transparency.

### **2. IFRS 16**

IFRS16 bringing currently off balance sheet leased assets onto the balance sheet, has been delayed for one year from 2019/20 due to Covid-19.

# Appendix 1: Graphs

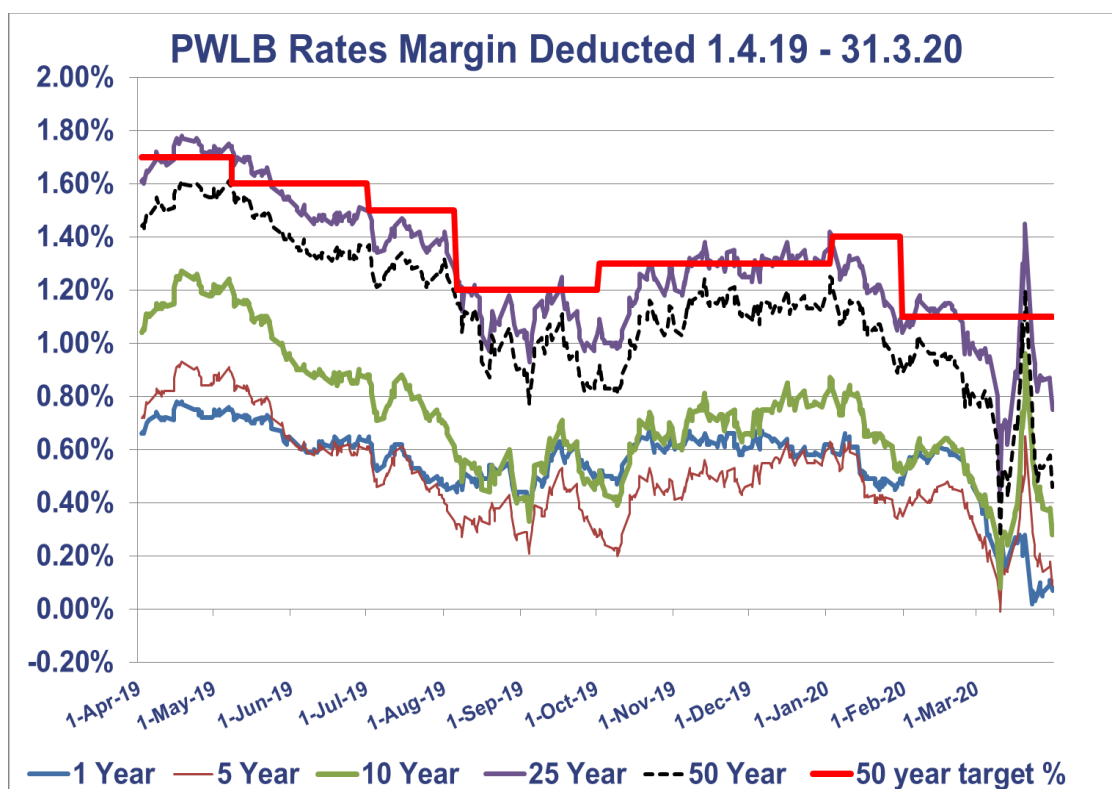
## a) PWLB borrowing rates



	1 Year	5 Year	10 Year	25 Year	50 Year
01/04/2019	1.46%	1.52%	1.84%	2.41%	2.24%
31/03/2020	1.90%	1.95%	2.14%	2.65%	2.39%
Low	1.17%	1.00%	1.13%	1.73%	1.57%
Date	03/09/2019	08/10/2019	03/09/2019	03/09/2019	03/09/2019
High	2.47%	2.45%	2.76%	3.25%	3.05%
Date	21/10/2019	19/03/2020	19/03/2020	19/03/2020	31/12/2019
Average	1.83%	1.77%	2.00%	2.56%	2.40%

## b) Gilt yields

The graphs and tables in paragraph 4.2 are for PWLB certainty rates. On 9.10.19, the margin over gilt yields for PWLB certainty rates was increased from 80 bps to 180 bps. The graph below shows PWLB rates less the margins added over gilt yields. This graph therefore shows more clearly the **actual movements in gilt yields** during the year on which PWLB rates are based.

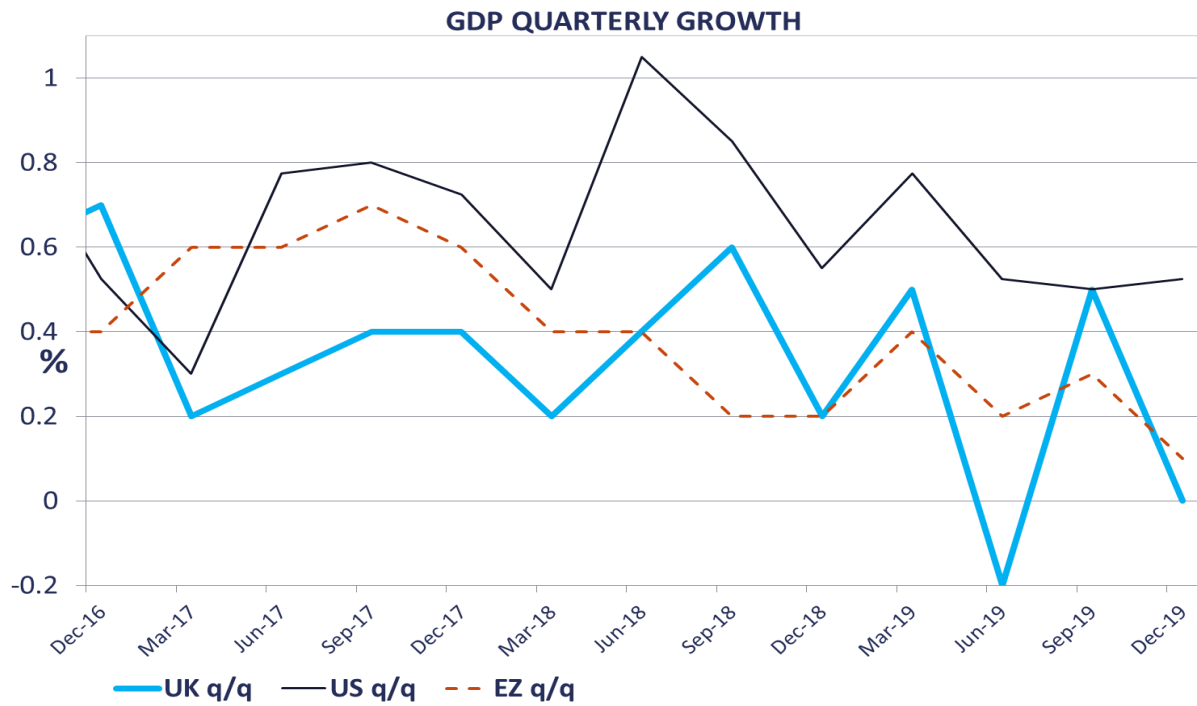


	1 Year	5 Year	10 Year	25 Year	50 Year
01/04/2019	0.66%	0.72%	1.04%	1.61%	1.44%
31/03/2020	0.10%	0.15%	0.34%	0.85%	0.59%
Low	0.02%	-0.01%	0.08%	0.45%	0.27%
Date	20/03/2020	09/03/2020	09/03/2020	09/03/2020	09/03/2020
High	0.78%	0.93%	1.27%	1.78%	1.61%
Date	15/04/2019	17/04/2019	17/04/2019	17/04/2019	17/04/2019
Average	0.55%	0.49%	0.72%	1.28%	1.12%

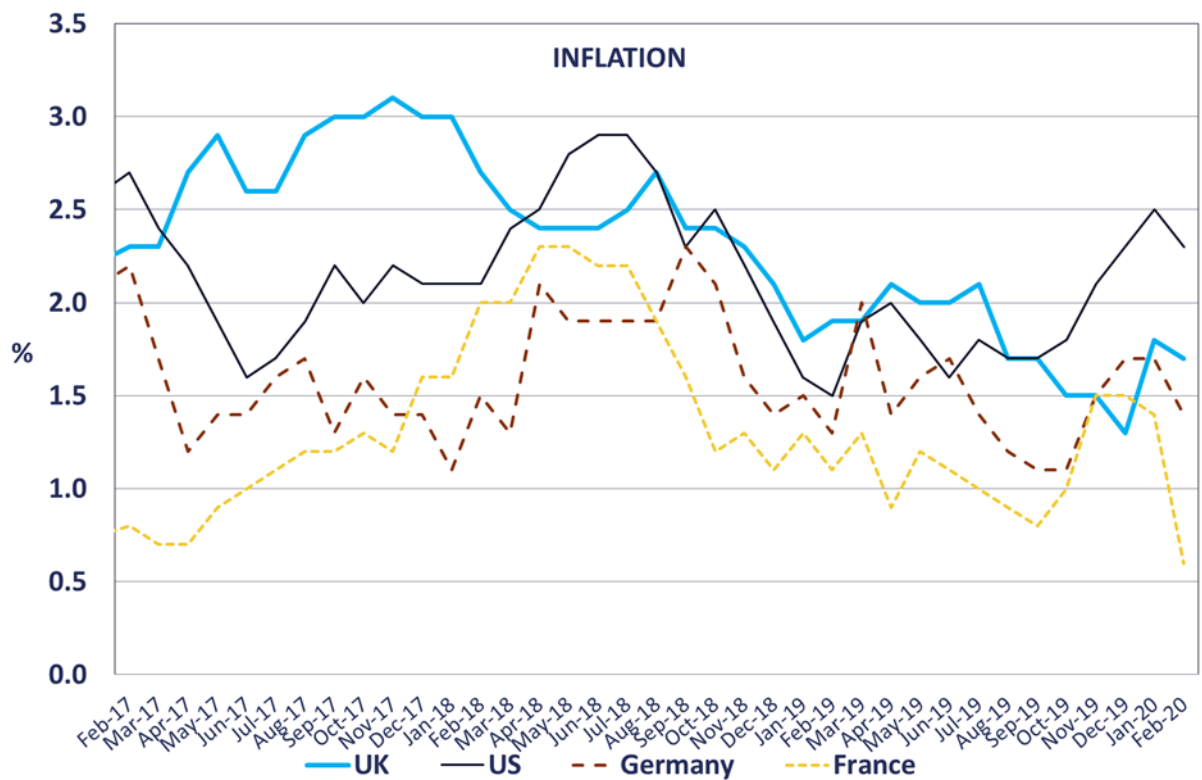
## c) Money market investment rates and forecasts 2019/20

	Bank Rate	7 day	1 mth	3 mth	6 mth	12 mth
High	0.75	0.58	0.61	0.72	0.83	0.98
High Date	01/04/2019	09/05/2019	15/04/2019	01/04/2019	01/04/2019	15/04/2019
Low	0.10	0.00	0.11	0.26	0.31	0.39
Low Date	19/03/2020	25/03/2020	23/03/2020	11/03/2020	11/03/2020	11/03/2020
Average	0.72	0.53	0.56	0.63	0.70	0.80
Spread	0.65	0.58	0.50	0.46	0.52	0.59

### d) UK, US and EZ GDP growth



### e) Inflation UK, US, Germany and France





## Appendix 2: Approved countries for investments as at 31.3.20

*Based on lowest available rating*

### AAA

- Australia
- Canada
- Denmark
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

### AA+

- Finland
- U.S.A.

### AA

- Abu Dhabi (UAE)
- Hong Kong
- France

### AA-

- Belgium
- Qatar
- U.K.

*Note that the UK was downgraded from AA to AA- in March 2020*

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**East Herts District  
Council  
Treasury Management  
Strategy Statement and  
Annual Investment  
Strategy**

**Mid-Year Review Report  
2020/21**

## **1. Background**

### **1.1 Capital Strategy**

In December 2017, the Chartered Institute of Public Finance and Accountancy, (CIPFA), issued revised Prudential and Treasury Management Codes. As from 2020/21, all local authorities have been required to prepare a Capital Strategy which is to provide the following: -

- a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services;
- an overview of how the associated risk is managed;
- the implications for future financial sustainability.

### **1.2 Treasury Management**

The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering optimising investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

Accordingly, treasury management is defined as:

“The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

## 2. Introduction

This report has been written in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2017).

The primary requirements of the Code are as follows:

1. Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
2. Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
3. Receipt by the full Council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a Mid-year Review Report and an Annual Report, (stewardship report), covering activities during the previous year.
4. Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
5. Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Council the delegated body is Audit and Governance Committee:

This mid-year report has been prepared in compliance with CIPFA's Code of Practice on Treasury Management, and covers the following:

- An economic update for the first half of the 2020/21 financial year;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Council's capital expenditure, as set out in the Capital Strategy, and prudential indicators;
- A review of the Council's investment portfolio for 2020/21;
- A review of the Council's borrowing strategy for 2020/21;
- A review of any debt rescheduling undertaken during 2020/21;
- A review of compliance with Treasury and Prudential Limits for 2020/21.

### 3. Economics and interest rates

#### 3.1 Economics update

- As expected, the Bank of England's Monetary Policy Committee kept Bank Rate unchanged on 6<sup>th</sup> August. It also kept unchanged the level of quantitative easing at £745bn. Its forecasts were optimistic in terms of three areas:
  - The fall in **GDP** in the first half of 2020 was revised from 28% to 23% (subsequently revised to -21.8%). This is still one of the largest falls in output of any developed nation. However, it is only to be expected as the UK economy is heavily skewed towards consumer-facing services – an area which was particularly vulnerable to being damaged by lockdown.
  - The peak in the **unemployment rate** was revised down from 9% in Q2 to 7½% by Q4 2020.
  - It forecast that there would be excess demand in the economy by Q3 2022 causing CPI **inflation** to rise above the 2% target in Q3 2022, (based on market interest rate expectations for a further loosening in policy). Nevertheless, even if the Bank were to leave policy unchanged, inflation was still projected to be above 2% in 2023.
- It also squashed any idea of using **negative interest rates**, at least in the next six months or so. It suggested that while negative rates can work in some circumstances, it would be “less effective as a tool to stimulate the economy” at this time when banks are worried about future loan losses. It also has “other instruments available”, including QE and the use of forward guidance.
- The MPC expected the £300bn of **quantitative easing** purchases announced between its March and June meetings to continue until the “turn of the year”. This implies that the pace of purchases will slow further to about £4bn a week, down from £14bn a week at the height of the crisis and £7bn more recently.
- In conclusion, this would indicate that the Bank could now just sit on its hands as the economy was recovering better than expected. However, the MPC acknowledged that the “medium-term projections were a less informative guide than usual” and the minutes had multiple references to **downside risks**, which were judged to persist both in the short and medium term. One has only to look at the way in which second waves of the virus are now impacting many countries including Britain, to see the dangers. However, rather than a national lockdown, as in March, any spikes in virus infections are now likely to be dealt with by localised measures and this should limit the amount of economic damage caused. In addition, Brexit uncertainties ahead of the year-end deadline are likely to be a drag on recovery. The wind down of the initial generous furlough scheme through to the end of October is another development that could cause the Bank to review the need for more support

for the economy later in the year. Admittedly, the Chancellor announced in late September a second six month package from 1<sup>st</sup> November of government support for jobs whereby it will pay up to 22% of the costs of retaining an employee working a minimum of one third of their normal hours. There was further help for the self-employed, freelancers and the hospitality industry. However, this is a much less generous scheme than the furlough package and will inevitably mean there will be further job losses from the 11% of the workforce still on furlough in mid September.

- Overall, **the pace of recovery** is not expected to be in the form of a rapid V shape, but a more elongated and prolonged one after a sharp recovery in June through to August which left the economy 11.7% smaller than in February. The last three months of 2020 are now likely to show no growth as consumers will probably remain cautious in spending and uncertainty over the outcome of the UK/EU trade negotiations concluding at the end of the year will also be a headwind. If the Bank felt it did need to provide further support to recovery, then it is likely that the tool of choice would be more QE.
- There will be some **painful longer term adjustments** as e.g. office space and travel by planes, trains and buses may not recover to their previous level of use for several years, or possibly ever. There is also likely to be a reversal of globalisation as this crisis has shown up how vulnerable long-distance supply chains are. On the other hand, digital services is one area that has already seen huge growth.
- One key addition to **the Bank's forward guidance** was a new phrase in the policy statement, namely that "it does not intend to tighten monetary policy until there is clear evidence that significant progress is being made in eliminating spare capacity and achieving the 2% target sustainably". That seems designed to say, in effect, that even if inflation rises to 2% in a couple of years' time, do not expect any action from the MPC to raise Bank Rate – until they can clearly see that level of inflation is going to be persistently above target if it takes no action to raise Bank Rate
- The **Financial Policy Committee** (FPC) report on 6<sup>th</sup> August revised down their expected credit losses for the banking sector to "somewhat less than £80bn". It stated that in its assessment "banks have buffers of capital more than sufficient to absorb the losses that are likely to arise under the MPC's central projection". The FPC stated that for real stress in the sector, the economic output would need to be twice as bad as the MPC's projection, with unemployment rising to above 15%.
- **US.** The incoming sets of data during the first week of August were almost universally stronger than expected. With the number of new daily coronavirus infections beginning to abate, recovery from its contraction this year of 10.2% should continue over the coming months and employment growth should also

pick up again. However, growth will be dampened by continuing outbreaks of the virus in some states leading to fresh localised restrictions. At its end of August meeting, the Fed tweaked **its inflation target** from 2% to maintaining an average of 2% over an unspecified time period i.e. following periods when inflation has been running persistently below 2%, appropriate monetary policy will likely aim to achieve inflation moderately above 2% for some time. This change is aimed to provide more stimulus for economic growth and higher levels of employment and to avoid the danger of getting caught in a deflationary “trap” like Japan. It is to be noted that inflation has actually been under-shooting the 2% target significantly for most of the last decade so financial markets took note that higher levels of inflation are likely to be in the pipeline; long term bond yields duly rose after the meeting. The Fed also called on Congress to end its political disagreement over providing more support for the unemployed as there is a limit to what monetary policy can do compared to more directed central government fiscal policy. The FOMC’s updated economic and rate projections in mid-September showed that officials expect to leave the fed funds rate at near-zero until at least end-2023 and probably for another year or two beyond that. There is now some expectation that where the Fed has led in changing its inflation target, other major central banks will follow. The increase in tension over the last year between the US and China is likely to lead to a lack of momentum in progressing the initial positive moves to agree a phase one trade deal.

- **EU.** The economy was recovering well towards the end of Q2 after a sharp drop in GDP, (e.g. France 18.9%, Italy 17.6%). However, the second wave of the virus affecting some countries could cause a significant slowdown in the pace of recovery, especially in countries more dependent on tourism. The fiscal support package, eventually agreed by the EU after prolonged disagreement between various countries, is unlikely to provide significant support and quickly enough to make an appreciable difference in weaker countries. The ECB has been struggling to get inflation up to its 2% target and it is therefore expected that it will have to provide more monetary policy support through more quantitative easing purchases of bonds in the absence of sufficient fiscal support.
- **China.** After a concerted effort to get on top of the virus outbreak in Q1, economic recovery was strong in Q2 and has enabled it to recover all of the contraction in Q1. However, this was achieved by major central government funding of yet more infrastructure spending. After years of growth having been focused on this same area, any further spending in this area is likely to lead to increasingly weaker economic returns. This could, therefore, lead to a further misallocation of resources which will weigh on growth in future years.
- **Japan.** There are some concerns that a second wave of the virus is gaining momentum and could dampen economic recovery from its contraction of 8.5% in GDP. It has been struggling to get out of a deflation trap for many years and



to stimulate consistent significant GDP growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy. The resignation of Prime Minister Abe is not expected to result in any significant change in economic policy.

- **World growth.** Latin America and India are currently hotspots for virus infections. World growth will be in recession this year. Inflation is unlikely to be a problem for some years due to the creation of excess production capacity and depressed demand caused by the coronavirus crisis.

### 3.2 Interest rate forecasts

The Council's treasury advisor, Link Group, provided the following forecasts on 11<sup>th</sup> August 2020 (PWLB rates are certainty rates, gilt yields plus 180bps):

Link Group Interest Rate View 11.8.20										
	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Bank Rate View	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 month average earnings	0.05	0.05	0.05	0.05	0.05	-	-	-	-	-
6 month average earnings	0.10	0.10	0.10	0.10	0.10	-	-	-	-	-
12 month average earnings	0.15	0.15	0.15	0.15	0.15	-	-	-	-	-
5yr PWLB Rate	1.90	2.00	2.00	2.00	2.00	2.00	2.10	2.10	2.10	2.10
10yr PWLB Rate	2.10	2.10	2.10	2.10	2.20	2.20	2.20	2.30	2.30	2.30
25yr PWLB Rate	2.50	2.50	2.50	2.60	2.60	2.60	2.70	2.70	2.70	2.70
50yr PWLB Rate	2.30	2.30	2.30	2.40	2.40	2.40	2.50	2.50	2.50	2.50

Additional notes by Link on this forecast table: -

- Please note that we have made a slight change to our interest rate forecasts table above for forecasts for 3, 6 and 12 months. Traditionally, we have used LIBID forecasts, with the rate calculated using market convention of 1/8th (0.125%) taken off the LIBOR figure. Given that all LIBOR rates up to 6 months are currently running below 0.1%, using that convention would give negative figures as forecasts for those periods. However, the liquidity premium that is still in evidence at the short end of the curve, means that the rates actually being achieved by local authority investors are still modestly in positive territory. While there are differences between counterparty offer rates, our analysis would suggest that an average rate of around 0.05% is achievable for 3 months, 0.1% for 6 months and 0.15% for 12 months.
- During 2021, Link will be continuing to look at market developments in this area and will monitor these with a view to communicating with clients when full financial market agreement is reached on how to replace LIBOR. This is likely to be an iteration of the overnight SONIA rate and the use of compounded rates and Overnight Index Swap (OIS) rates for forecasting purposes.

The coronavirus outbreak has done huge economic damage to the UK and economies around the world. After the Bank of England took emergency action in March to cut Bank Rate to first 0.25%, and then to 0.10%, it left Bank Rate unchanged at its meeting on 6<sup>th</sup> August (and the subsequent September meeting), although some forecasters had suggested that a cut into negative territory could happen. However, the Governor of the Bank of England has made it clear that he currently thinks that such a move would do more damage than good and that more quantitative easing is the favoured tool if further action becomes necessary. As shown in the forecast table above, no increase in Bank Rate is expected within the forecast horizon ending on 31<sup>st</sup> March 2023 as economic recovery is expected to be only gradual and, therefore, prolonged.

**GILT YIELDS / PWLB RATES.** There was much speculation during the second half of 2019 that bond markets were in a bubble which was driving bond prices up and yields down to historically very low levels. The context for that was heightened expectations that the US could have been heading for a recession in 2020. In addition, there were growing expectations of a downturn in world economic growth, especially due to fears around the impact of the trade war between the US and China, together with inflation generally at low levels in most countries and expected to remain subdued. Combined, these conditions were conducive to very low bond yields. While inflation targeting by the major central banks has been successful over the last 30 years in lowering inflation expectations, the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers. This means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc. The consequence of this has been the gradual lowering of the overall level of interest rates and bond yields in financial markets over the last 30 years. Over the year prior to the coronavirus crisis, this has seen many bond yields up to 10 years turn negative in the Eurozone. In addition, there has, at times, been an inversion of bond yields in the US whereby 10 year yields have fallen below shorter term yields. In the past, this has been a precursor of a recession. The other side of this coin is that bond prices are elevated as investors would be expected to be moving out of riskier assets i.e. shares, in anticipation of a downturn in corporate earnings and so selling out of equities.

Gilt yields had therefore already been on a generally falling trend up until the coronavirus crisis hit western economies during March. After gilt yields spiked up during the initial phases of the health crisis in March, we have seen these yields fall sharply to unprecedented lows as major western central banks took rapid action to deal with excessive stress in financial markets, and started massive quantitative easing purchases of government bonds: this also acted to put downward pressure on government bond yields at a time when there has been a huge and quick expansion of government expenditure financed by issuing government bonds. Such unprecedented levels of issuance in “normal” times would have caused bond yields to rise sharply. At the close of the day on 30<sup>th</sup> September, all gilt yields from 1 to 6 years were in negative territory, while even 25-year yields were at only 0.76% and 50 year at 0.60%.

From the local authority borrowing perspective, HM Treasury imposed **two changes of margins over gilt yields for PWLB rates** in 2019-20 without any prior warning. The first took place on 9<sup>th</sup> October 2019, adding an additional 1% margin over gilts to all PWLB period rates. That increase was then at least partially reversed for some forms of borrowing on 11<sup>th</sup> March 2020, but not for mainstream General Fund capital schemes, at the same time as the Government announced in the Budget a programme of increased infrastructure expenditure. It also announced that there would be a consultation with local authorities on possibly further amending these margins; this was to end on 4<sup>th</sup> June, but that date was subsequently put back to 31<sup>st</sup>

July. It is clear HM Treasury will no longer allow local authorities to borrow money from the PWLB to purchase commercial property if the aim is solely to generate an income stream (assets for yield).

Following the changes on 11<sup>th</sup> March 2020 in margins over gilt yields, the current situation is as follows: -

- **PWLB Standard Rate** is gilt plus 200 basis points (G+200bps)
- **PWLB Certainty Rate** is gilt plus 180 basis points (G+180bps)
- **PWLB HRA Standard Rate** is gilt plus 100 basis points (G+100bps)
- **PWLB HRA Certainty Rate** is gilt plus 80bps (G+80bps)
- **Local Infrastructure Rate** is gilt plus 60bps (G+60bps)

It is possible that the non-HRA Certainty Rate will be subject to revision downwards after the conclusion of the PWLB consultation; however, the timing of such a change is currently an unknown, although it would be likely to be within the current financial year.

As the interest forecast table for PWLB certainty rates, (gilts plus 180bps), above shows, there is likely to be little upward movement in PWLB rates over the next two years as it will take economies, including the UK, a prolonged period to recover all the momentum they have lost in the sharp recession caused during the coronavirus shut down period. Inflation is also likely to be very low during this period and could even turn negative in some major western economies during 2020/21.

### **The balance of risks to the UK**

- The overall balance of risks to economic growth in the UK is probably relatively even, but is subject to major uncertainty due to the virus.
- There is relatively little UK domestic risk of increases or decreases in Bank Rate and significant changes in shorter term PWLB rates. The Bank of England has effectively ruled out the use of negative interest rates in the near term and increases in Bank Rate are likely to be some years away given the underlying economic expectations. However, it is always possible that safe haven flows, due to unexpected domestic developments and those in other major economies, could impact gilt yields, (and so PWLB rates), in the UK.

### **Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:**

- **UK** - second nationwide wave of virus infections requiring a national lockdown
- **UK / EU trade negotiations** – if it were to cause significant economic disruption and a fresh major downturn in the rate of growth.

- **UK - Bank of England** takes action too quickly, or too far, over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- A resurgence of the **Eurozone sovereign debt crisis**. The ECB has taken monetary policy action to support the bonds of EU states, with the positive impact most likely for “weaker” countries. In addition, the EU recently agreed a €750bn fiscal support package. These actions will help shield weaker economic regions for the next year or so. However, in the case of Italy, the cost of the virus crisis has added to its already huge debt mountain and its slow economic growth will leave it vulnerable to markets returning to taking the view that its level of debt is unsupportable. There remains a sharp divide between northern EU countries favouring low debt to GDP and annual balanced budgets and southern countries who want to see jointly issued Eurobonds to finance economic recovery. This divide could undermine the unity of the EU in time to come.
- Weak capitalisation of some **European banks**, which could be undermined further depending on extent of credit losses resultant of the pandemic.
- **German minority government & general election in 2021**. In the German general election of September 2017, Angela Merkel’s CDU party was left in a vulnerable minority position dependent on the fractious support of the SPD party, as a result of the rise in popularity of the anti-immigration AfD party. The CDU has done badly in subsequent state elections but the SPD has done particularly badly. Angela Merkel has stepped down from being the CDU party leader but she intends to remain as Chancellor until the general election in 2021. This then leaves a major question mark over who will be the major guiding hand and driver of EU unity when she steps down.
- **Other minority EU governments**. Austria, Sweden, Spain, Portugal, Netherlands, Ireland and Belgium also have vulnerable minority governments dependent on coalitions which could prove fragile.
- **Austria, the Czech Republic, Poland and Hungary** now form a strongly anti-immigration bloc within the EU. There has also been a rise in anti-immigration sentiment in Germany and France.
- **Geopolitical risks**, for example in China, Iran or North Korea, but also in Europe and other Middle Eastern countries, which could lead to increasing safe haven flows.
- **US – the Presidential election in 2020**: this could have repercussions for the US economy and SINO-US trade relations.

## Upside risks to current forecasts for UK gilt yields and PWLB rates

- **UK** - stronger than currently expected recovery in UK economy.
- **Post-Brexit** – if an agreement was reached that removed the majority of threats of economic disruption between the EU and the UK.
- The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.

## 4. Treasury Management Strategy Statement and Annual Investment Strategy Update

The Treasury Management Strategy Statement, (TMSS), for 2020/21 was approved by this Council on 5<sup>th</sup> March 2019

- The underlying TMSS approved previously requires revision in the light of economic and operational movements during the year. The proposed changes and supporting detail for the changes are set out below:

<b>Prudential Indicator 2020/21</b>	<b>2020/21 Original Estimate £m</b>	<b>Revised Prudential Indicator £m</b>
Authorised Limit	37.7	27.0
Operational Boundary	32.5	24.5
Capital Financing Requirement	35.7	24.5

## 5. The Council's Capital Position (Prudential Indicators)

This part of the report is structured to update:

- The Council's capital expenditure plans;
- How these plans are being financed;
- The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow; and
- Compliance with the limits in place for borrowing activity.

### 5.1 Prudential Indicator for Capital Expenditure

This table shows the revised estimates for capital expenditure and the changes since the capital programme was agreed at the Budget.

<b>Capital Expenditure by Service</b>	<b>2020/21 Original Estimate £m</b>	<b>Current Position £m</b>	<b>2020/21 Revised Estimate £m</b>
Services	33.8	14.0	44.0
Commercial activities / non-financial investments	24.5	0.9	6.2
<b>Total capital expenditure</b>	<b>58.3</b>	<b>14.9</b>	<b>50.2</b>

Original estimates did not include significant budget carry forwards from 2019/20 (£30.5m). With major project re-profiling now resulting in further budget carry forward requirements to 2021/22.

The approved budget for commercial activities has also been significantly scaled down from that listed in the Treasury Management Strategy 2020-21.

### 5.2 Changes to the Financing of the Capital Programme

The table below draws together the main strategy elements of the capital expenditure plans (above), highlighting the original supported and unsupported elements of the capital programme, and the expected financing arrangements of this capital expenditure. The borrowing element of the table increases the underlying indebtedness of the Council by way of the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision). This direct borrowing need may also be supplemented by maturing debt and other treasury requirements.



Capital Expenditure	2020/21 Original Estimate £m	2020/21 Revised Estimate £m
Total capital expenditure	58.3	50.2
Financed by:		
Capital receipts	1.0	1.0
Capital grants	7.7	6.0
Capital reserves	0.2	0.2
Revenue	0.0	0.0
Total financing	8.9	7.2
Borrowing requirement	49.4	43.0

### 5.3 Changes to the Prudential Indicators for the Capital Financing Requirement (CFR), External Debt and the Operational Boundary

The table below shows the CFR, which is the underlying external need to incur borrowing for a capital purpose. It also shows the expected debt position over the period, which is termed the Operational Boundary.

#### Prudential Indicator – Capital Financing Requirement

Due to a lower than originally estimated capital spend, the revised Capital Financing Requirement is lower than that originally forecast.

#### Prudential Indicator – the Operational Boundary for external debt

	2019/20 Actual £m	2020/21 Original Estimate £m	2020/21 Revised Estimate £m
<b>Prudential Indicator – Capital Financing Requirement</b>			
CFR	(18.5)	35.7	24.5
Net movement in CFR	4.5	49.4	43.0
<b>Prudential Indicator – the Operational Boundary for external debt</b>			
Borrowing	7.5	32.5	24.0
Other long term liabilities*	-	0.5	0.5
<b>Total debt (year end position)</b>	<b>7.5</b>	<b>32.5</b>	<b>24.5</b>

\* On balance sheet PFI schemes and finance leases etc.

## 5.4 Limits to Borrowing Activity

The first key control over the treasury activity is a prudential indicator to ensure that over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose\*. **Gross external borrowing** should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2020/21 and next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy for borrowing in advance of need which will be adhered to if this proves prudent.

	2020/21 Original Estimate £m	Current Position £m	2020/21 Revised Estimate £m
Borrowing	32.0	1.5	20.0
Other long term liabilities*	0.5	0.0	0.5
<b>Total debt</b>	<b>32.5</b>	<b>1.5</b>	<b>20.5</b>
<b>CFR* (year end position)</b>	<b>35.7</b>	<b>24.5</b>	<b>24.5</b>

\* Includes on balance sheet PFI schemes and finance leases etc.

A further prudential indicator controls the overall level of borrowing. This is **the Authorised Limit** which represents the limit beyond which borrowing is prohibited, and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

Authorised limit for external debt	2020/21 Original Indicator	Current Position	2020/21 Revised Indicator
Borrowing	36.2	1.5	26.0
Other long term liabilities*	1.5	0.0	1.0
<b>Total</b>	<b>37.7</b>	<b>24.5</b>	<b>27.0</b>

\* Includes on balance sheet PFI schemes and finance leases etc.

## 6. Borrowing

The Council's capital financing requirement (CFR) for 2020/21 is £24.5m. The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. Table 5.4 shows the Council has borrowings of £1.5m and has utilised £23m of cash flow funds in lieu of borrowing. This is a prudent and cost-effective approach in the current economic climate but will require ongoing monitoring in the event that any upside risk to gilt yields prevails.

Due to the increase in PWLB margins over gilt yields in October 2019, and the subsequent consultation on these margins by HM Treasury - which ended on 31<sup>st</sup> July 2020 - the Authority has refrained from undertaking new long-term PWLB borrowing for the present and has met its requirements for additional borrowing by borrowing from internal balances until such time as new PWLB margins are finally determined. In addition, the effect of coronavirus on the capital programme objectives are being assessed. Therefore, our borrowing strategy will be reviewed and then revised in order to achieve optimum value and risk exposure in the long-term.

It is anticipated that further borrowing may be undertaken during this financial year.

### 6.1 PWLB maturity certainty rates (gilts plus 180bps) year to date to 30<sup>th</sup> September 2020

PWLB rates varied within a relatively narrow range between April and July but the longer end of the curve rose during August. This increase came in two periods; the first in the second week of the month was on the back of hopes for fresh US stimulus. This saw investors switch monies out of government bonds and into equities. The second shift higher at the longer end of the curve came in the latter stages of the month as investors reacted to the announcement of the tweak to the Fed's inflation target. Despite moves further out in the yield curve, the short end remained anchored on the basis of no fundamental change to the interest rate outlook.

The 50-year PWLB target rate for new long-term borrowing was unchanged at 2.30%.

## 7. Debt Rescheduling

Debt rescheduling opportunities have been very limited in the current economic climate and following the various increases in the margins added to gilt yields which have impacted PWLB new borrowing rates since October 2010. No debt rescheduling has therefore been undertaken to date in the current financial year. Historic debt of £6m that matured in May 2020 has been repaid.

## **8. Compliance with Treasury and Prudential Limits**

It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. During the half year ended 30<sup>th</sup> September 2020, the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement for 2020. The Director of Finance reports that no difficulties are envisaged for the current or future years in complying with these indicators.

All treasury management operations have also been conducted in full compliance with the Council's Treasury Management Practices.

## **9. Annual Investment Strategy**

The Treasury Management Strategy Statement (TMSS) for 2020/21, which includes the Annual Investment Strategy, was approved by the Council on 5<sup>th</sup> March 2019. In accordance with the CIPFA Treasury Management Code of Practice, it sets out the Council's investment priorities as being:

- Security of capital
- Liquidity
- Yield

The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with the Council's risk appetite. In the current economic climate it is considered appropriate to keep investments short term to cover cash flow needs, but also to seek out value available in periods up to 12 months with high credit rated financial institutions, using the Link suggested creditworthiness approach, including a minimum sovereign credit rating and Credit Default Swap (CDS) overlay information.

As shown by the interest rate forecasts in section 2, it is now impossible to earn the level of interest rates commonly seen in previous decades as all investment rates are barely above zero now that Bank Rate is at 0.10%, while some entities, including more recently the Debt Management Account Deposit Facility (DMADF), are offering negative rates of return in some shorter time periods. Given this risk environment and the fact that increases in Bank Rate are unlikely to occur before the end of the current forecast horizon of 31<sup>st</sup> March 2023, investment returns are expected to remain low.

### **9.1 Negative investment rates**

While the Bank of England has said that it is unlikely to introduce a negative Bank Rate, at least in the next 6 -12 months, some deposit accounts are already offering negative rates for shorter periods. As part of the response to the pandemic and

lockdown, the Bank and the Government have provided financial markets and businesses with plentiful access to credit, either directly or through commercial banks. In addition, the Government has provided large sums of grants to local authorities to help deal with the Covid crisis; this has caused some local authorities to have sudden large increases in investment balances searching for an investment home, some of which was only very short term until those sums were able to be passed on.

As for money market funds (MMFs), yields have continued to drift lower. Some managers have suggested that they might resort to trimming fee levels to ensure that net yields for investors remain in positive territory where possible and practical. Investor cash flow uncertainty, and the need to maintain liquidity in these unprecedented times, has meant there is a glut of money swilling around at the very short end of the market. This has seen a number of market operators, now including the DMADF, offer nil or negative rates for very short term maturities. This is not universal, and MMFs are still offering a marginally positive return, as are a number of financial institutions.

Inter-local authority lending and borrowing rates have also declined due to the surge in the levels of cash seeking a short-term home at a time when many local authorities are probably having difficulties over accurately forecasting when disbursements of funds received will occur or when further large receipts will be received from the Government.

## **9.2 Creditworthiness**

Although the credit rating agencies changed their outlook on many UK banks from stable to negative outlook during the quarter ended 30<sup>th</sup> June 2020 due to upcoming risks to banks' earnings and asset quality during the economic downturn caused by the pandemic, the majority of ratings were affirmed due to the continuing strong credit profiles of UK banks. However, during Q1 and Q2 2020, banks made provisions for *expected* credit losses and the rating changes reflected these provisions. As we move into the next quarters ahead, more information will emerge on *actual* levels of credit losses. (Quarterly performance is normally announced in the second half of the month following the end of the quarter.) This has the potential to cause rating agencies to revisit their initial rating adjustments earlier in the current year. These adjustments could be negative or positive, although it should also be borne in mind that UK banks went into this pandemic with strong balance sheets. Indeed, the Financial Policy Committee (FPC) report on 6<sup>th</sup> August revised down their expected credit losses for the banking sector to "somewhat less than £80bn". They stated that in their assessment, "banks have buffers of capital more than sufficient to absorb the losses that are likely to arise under the MPC's central projection". The FPC stated that for real stress in the sector, the economic output would need to be twice as bad as the MPC's projection, with unemployment rising to above 15%.

All three rating agencies have reviewed banks around the world with similar results in many countries of most banks being placed on negative watch, but with a small number of actual downgrades.

Link have conducted some stress testing on the Link credit methodology based list of counterparties supplied to clients, to test for the results of a 1 notch downgrade to all Long Term Ratings from all agencies. Under such a scenario, only Commerzbank, Norddeutsche Landesbank, NatWest Markets Plc (non-ring-fenced entity), Leeds, Skipton and Yorkshire Building Societies moved from Green to No Colour. While there are a further 17 drops in other entities' suggested durations, in these instances, these entities still remain potentially available for use. (Note that this scenario excludes any additional impact from relative movement in CDS pricing.)

### **9.3 Investment Counterparty criteria**

The current investment counterparty criteria selection approved in the TMSS is mostly meeting the requirement of the treasury management function. However it is required to raise the counter party limit with our own bank National Westminster to £30m, to help with liquidity risk around Covid 19 grant payments.

### **9.4 CDS prices**

Although CDS prices, (these are market indicators of credit risk), for UK banks spiked upwards at the end of March / early April due to the liquidity crisis throughout financial markets, CDS prices have returned to more average levels since then, although they are still elevated compared to end-February. Pricing is likely to remain volatile as uncertainty continues. **However, sentiment can easily shift, so it remains important to undertake continual monitoring of all aspects of risk and return in the current circumstances.**

### **9.5 Investment balances**

The average level of funds available for investment purposes during the first 6 months was **£35.2m**. These funds were available on a temporary basis, with the level of funds available mainly dependent on the timing of precept payments, receipt of grants and progress on the capital programme. The Council holds **£20m** core cash balances for investment purposes (i.e. funds available for more than one year).

## 9.6 Investment performance year to date as at 30<sup>th</sup> September 2020

Period	LIBID benchmark return
7 day	-0.06%
1 month	-0.02%
3 month	0.11%
6 month	0.21%
12 month	0.35%

As illustrated, the Council achieved an average interest return of 0.45%, outperforming all the above benchmarks. The Council's budgeted investment return for 2020/21 is **£800k**, and performance for the year to date is **£100k** below budget. Any deficit will be funded from the Council's interest equalisation reserve, which has been topped up in previous years, from over achievements in investment returns.

## 9.7 Investments held by fund managers – Property Funds

The Council approved the use of property funds up to a value of £20m, at the time of investment. Working with our advisors Link Asset Services, two funds were chosen, Lothbury Property Trust and Hermes Property Unit Trust. Both funds had waiting lists to invest. The invitation to invest in the Lothbury fund arose in June 2015 and the Hermes fund in December 2015. The performances of these funds for the first two quarters of 2020/21 are detailed below:

Fund Manager	Investments Held	Average Return over last 6 months
Lothbury Property Trust	£10.0m	Q1 – 2.50% Q2 – 2.68%
Hermes Property Unit Trust	£10.0m	Q1 – 2.94% Q2 – Due Nov/20
<b>Total</b>	<b>£20.0m</b>	

Property Fund performance overview: The latest overview and fund performance can be viewed on the below website links:

Lothbury Property Trust - <https://www.lothburyim.com/our-funds/lothbury-property-trust/overview/>

Hermes Property Unit Trust - <https://www.hermes-investment.com/uki/wp-content/uploads/2019/05/hput-quarterly-update-factsheet.pdf>

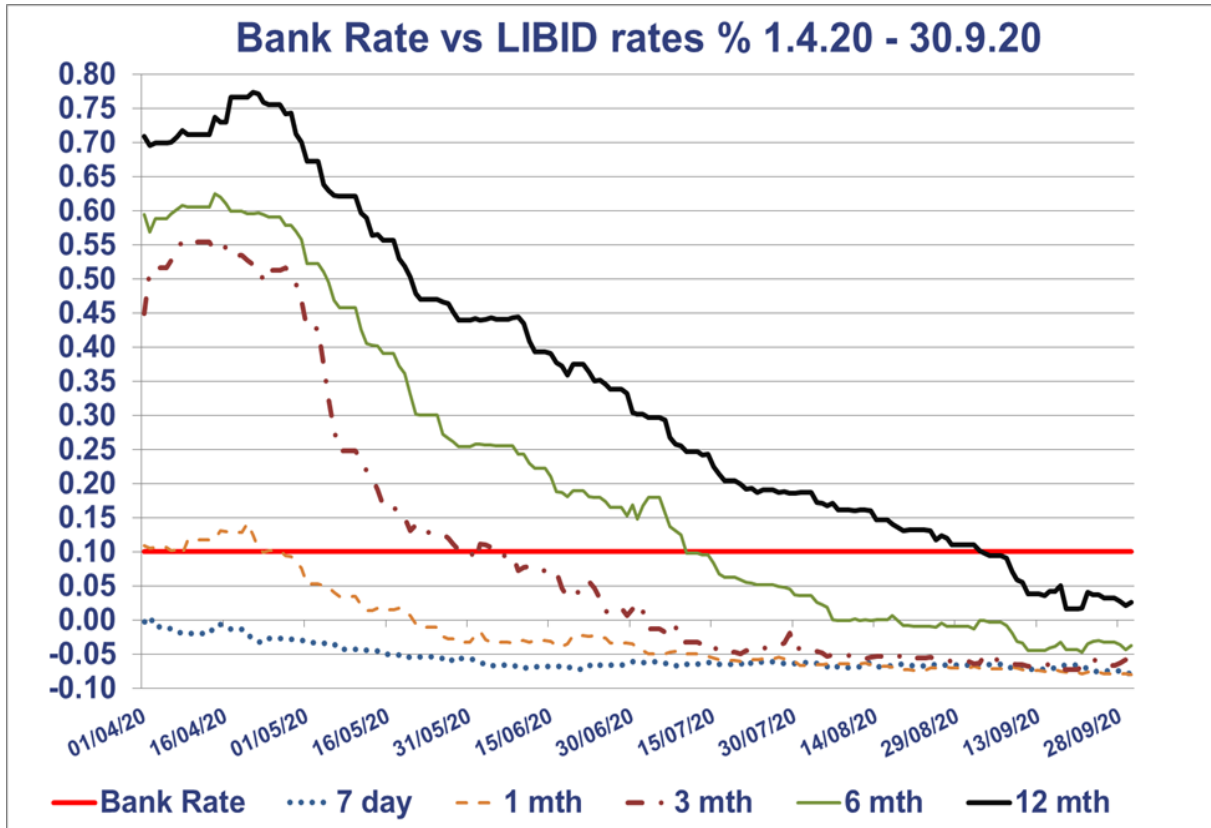
## 9.8 Approved limits

Officers can confirm that the approved limits within the Annual Investment Strategy were breached at the beginning of the financial year, with our own bank National Westminster Bank during the quarter ended 30<sup>th</sup> September 2020. This was due to the uncertainty around the Covid 19 Pandemic and the need to ensure liquidity and cash flow around the governments grants payments (£30m+).

**Recommendation:** It is recommended that the counterparty limit for the National Westminster Bank be increased from £20m to £30m, to prevent the need for further breaches throughout the Covid crisis and to be reviewed again once the crisis is over. National Westminster Bank, being part nationalised, has a low risk level.

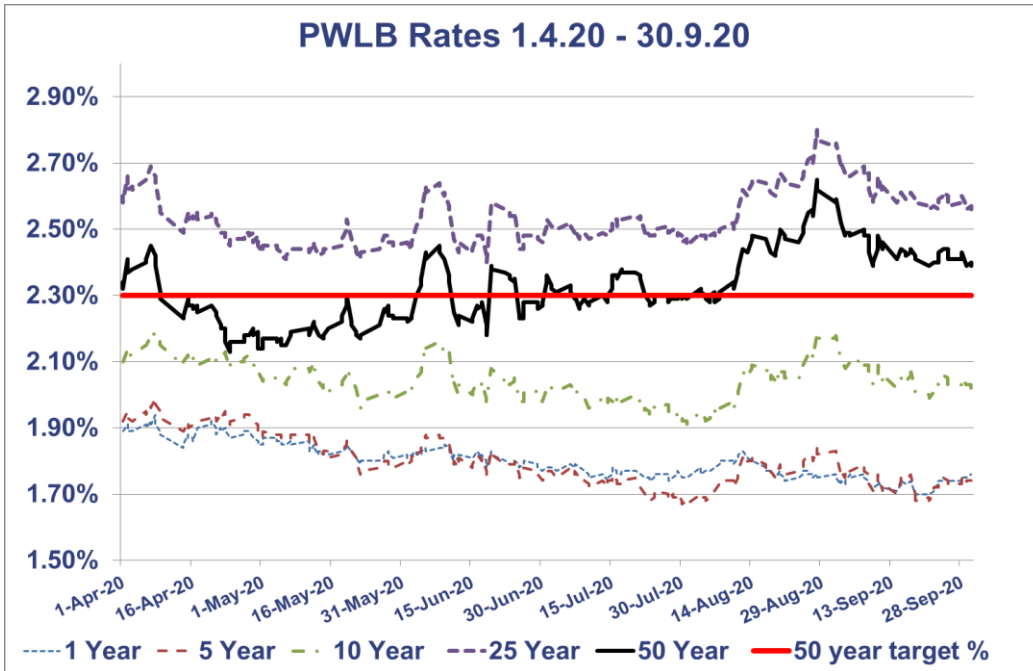


## APPENDIX 1: Investment rates

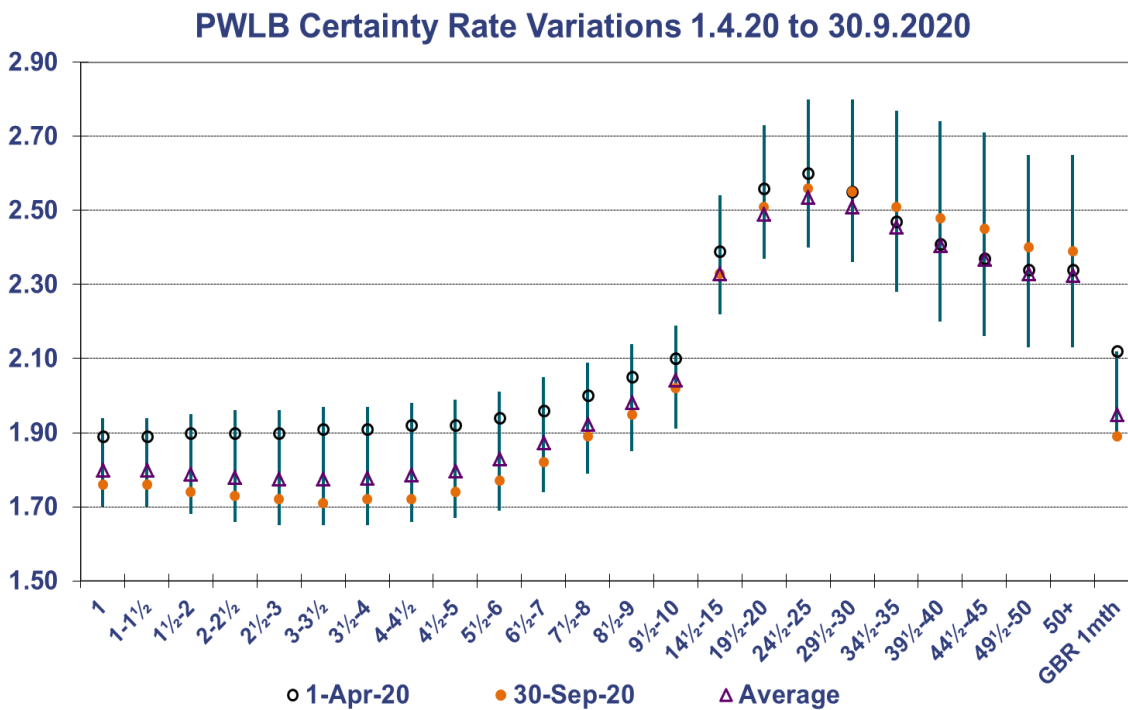


	Bank Rate	7 day	1 mth	3 mth	6 mth	12 mth
High	0.10	0.00	0.14	0.56	0.62	0.77
High Date	01/04/2020	02/04/2020	20/04/2020	08/04/2020	14/04/2020	21/04/2020
Low	0.10	-0.07	-0.07	-0.06	-0.01	0.11
Low Date	01/04/2020	19/06/2020	21/08/2020	28/08/2020	25/08/2020	28/08/2020
Average	0.10	-0.05	-0.01	0.14	0.25	0.41
Spread	0.00	0.08	0.22	0.62	0.63	0.66

## APPENDIX 2: Borrowing rates



	1 Year	5 Year	10 Year	25 Year	50 Year
Low	1.70%	1.67%	1.91%	2.40%	2.13%
Date	18/09/2020	30/07/2020	31/07/2020	18/06/2020	24/04/2020
High	1.94%	1.99%	2.19%	2.80%	2.65%
Date	08/04/2020	08/04/2020	08/04/2020	28/08/2020	28/08/2020
Average	1.80%	1.80%	2.04%	2.54%	2.33%



## APPENDIX 3: Approved countries for investments as at 30<sup>th</sup> September 2020

*Based on lowest available rating*

### AAA

- Australia
- Denmark
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

### AA+

- Canada
- Finland
- U.S.A.

### AA

- Abu Dhabi (UAE)
- France

### AA-

- Belgium
- Hong Kong
- Qatar
- **U.K.**

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## East Herts Council Report

### Council

**Date of meeting:** 16 December 2020

**Report by:** Councillor Geoffrey Williamson – Deputy Leader and Executive Member for Financial Sustainability

**Report title:** Council Tax Base 2021/22

**Ward(s) affected:** All

### Summary

- To recommend to the Council the calculation of the council tax base for the whole district, and for each parish and town council, for 2021/22

### RECOMMENDATIONS FOR COUNCIL:

- a) the calculation of the Council's tax base for the whole district, and for the parish areas, for 2021/22, be approved; and
- b) pursuant to the report and in accordance with the Local Authorities (Calculation of Tax Base) Regulations 2012, the amount calculated by East Hertfordshire District Council as its council tax base for the whole area for 2020/21 shall be 61734.4 and for the parish areas listed below for 2021/22 shall be as follows:

**Table 1**

ALBURY	281.12
ANSTEY	165.39
ARDELEY	209.68
ASPENDEN	125.37
ASTON	425.87
BAYFORD	229.09
BENGEO	282.01
BENNINGTON	410.13
BISHOP'S STORTFORD	16135.88
BRAMFIELD	109.31
BRAUGHING	654.87
BRENT PELHAM / MEESDEN	145.13
BRICKENDON	348.67
BUCKLAND	114.96
BUNTINGFORD	3136.50
COTTERED	311.60
DATCHWORTH	743.10
EASTWICK / GILSTON	432.77
FURNEUX PELHAM	264.44
GREAT AMWELL	963.25
GREAT MUNDEN	143.79
HERTFORD	12018.64
HERTFORD HEATH	964.87
HERTINGFORDBURY	333.72

HIGH WYCH	337.14
HORMEAD	365.37
HUNSDON	514.93
LITTLE BERKHAMPSTEAD	273.33
LITTLE HADHAM	532.27
LITTLE MUNDEN	422.37
MUCH HADHAM	956.43
SACOMBE	95.85
STANSTEAD ST. MARGARETS	696.40
SAWBRIDGEWORTH	3760.29
STANDON	1951.05
STANSTEAD ABBOTTS	691.12
STAPLEFORD	267.46
STOCKING PELHAM	84.04
TEWIN	865.34
THORLEY	153.46
THUNDRIDGE	687.81
WALKERN	702.93
WARESIDE	310.95
WARE TOWN	7544.31
WATTON - AT - STONE	1051.67
WESTMILL	164.06
WIDFORD	283.77
WYDDIAL	71.93

## 1.0 Background

1.1 Calculation of the council tax base is governed by statutory regulation and the Council has limited discretion.

- 1.2 As a billing authority the council must notify the County Council and the Police Authority of the tax base and must do this between 1 December and 31 January preceding the tax year. The Council must also tell a parish what their tax base is within 10 working days of any written request.
- 1.3 The tax base will be used by the Council when setting the rates of council tax at the March Council meeting.
- 1.4 The tax base calculations must be made by the Authority as a whole.
- 1.5 The regulations set out the following formula to be used to calculate the tax base:

Tax base = A x B

(A is the total of the "relevant amounts")

(B is the estimated collection rate)

Item A, the total of "relevant amounts" is found by a second formula:-

$$\text{Item A} = (H - Q + E + J) - Z \times (F / G)$$

where:

H is the estimated number of dwellings, which are shown in the valuation list at 14 September 2020, adjusted for exemptions.

Q is a factor to take account of the discounts to which the amount of Council Tax payable was subject on the relevant day.

E is a factor to take account of the premiums, if any, to which the amount of Council Tax payable was subject on the relevant day.

J is the amount of any adjustment in respect of changes in the number of chargeable dwellings, discounts or premiums calculated by the authority.

Z Is the total amount that the authority estimates will be applied pursuant to the authority's council tax reduction scheme in relation to the band, expressed as an equivalent number of chargeable dwellings in that band.

E converts the number of dwellings in each valuation band to a

G "Band D" equivalent.

Item A can be summarised as the effective number of equivalent Band D properties after taking the actual number in each valuation band and allowing for valuation changes, for errors and appeals, new properties, periods of exemption, reductions for disabled persons and discounts for single occupiers and unoccupied properties, and the Council Tax reduction scheme.

## 2.0 Report

2.1 The assumptions made are as follows:

### Number of taxable properties

2.2 For 2021/22 it is assumed that there will be limited new completions with a net addition of 666 new properties by 31 March 2022. These have been allocated to parish areas on the basis of development in hand and planning approvals. It is assumed that all new dwellings will be exempt for the first three months and that a proportion of discounts will apply thereafter. No valuation increases have been assumed for improvements and extensions as these do not take effect until



properties are sold on.

- 2.3 It has been assumed that 221 properties will qualify for disabled persons reductions, based on experience in the current year.
- 2.4 A figure of 846 exemptions/voids is included in line with the current position. Further increases will have a negative impact on the tax base.

#### Collection Rate

- 2.5 Item B in the tax base formula is the estimate of the collection rate for 2021/22. For 2021/22 this will be 98.9%, which is the same as 2020/21.
- 2.6 This gives an overall tax base of 61734.4
- 2.7 Should any Member have detailed questions or comments on the assumptions it would be of great benefit to advise the Head of Revenues and Benefits Shared Service or the Executive Member for Financial Sustainability well in advance of the meeting.

### **3.0 Risks**

*Only as referenced in the report*

#### **Implications/Consultations**

No

#### **Community Safety**

No

#### **Data Protection**

No

## **Equalities**

*Equality impact analysis was undertaken with the Equality and Diversity officer. As this work affects the entire district, and as discounts and disregards awarded on the basis of age, disability or marital status are determined by central government, there are no equality or diversity implications for this work.*

## **Environmental Sustainability**

No

## **Financial**

*Only as referenced in the report*

## **Health and Safety**

No

## **Human Resources**

No

## **Human Rights**

No

## **Legal**

*The Tax base must be calculated in accordance with legislation*

## **Specific Wards**

No

## **4.0 Background papers, appendices and other relevant material**

### **Contact Member**

Geoffrey Williamson, Deputy Leader and Executive Member for Financial Sustainability

**Contact Officer**

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**Report Author**

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## East Herts Council Report

### Council

**Date of Meeting: 16<sup>th</sup> December 2020**

**Report by: Head of Communications, Strategy and Policy**

**Report title: Unreasonable and Persistent Behaviour Policy**

**Ward(s) affected: All**

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### Summary

#### **RECOMMENDATION FOR COUNCIL:**

**(a) The new Unreasonable and Persistent Behaviour Policy, be approved by Council**

#### **1.0 Proposal(s)**

1.1 That a new Unreasonable and Persistent Behaviour Policy replaces the vexatious complainant policy, following recommendation from the Overview and Scrutiny Committee

#### **2.0 Background**

2.1 The Council's current vexatious complainant policy can be found here:

<http://democracy.eastherts.gov.uk/documents/s47827/Complaint%20Policy%20ERP%20B%20D.pdf>

2.2 The vexatious complainant policy is need of updating. It is essentially too restrictive as it can only be applied to people who have been through the complaints process and only in regard to a specific complaint/ issue/ freedom of information request (ie. the fact that the requester is vexatious doesn't automatically make further requests vexatious). If an individual

has been declared vexatious they are still entitled to contact us regarding any new issues, service requests or freedom of information requests. Arguably then the vexatious policy doesn't deliver any additional value above and beyond the council's right to not engage with someone. At 6 pages in length it also unnecessarily long.

- 2.3 Once someone has been through the complaints process if they continue to contact us about the same issue their only recourse is to the ombudsman (or Information Commissioner's Office in the case of freedom of information) and we are not obliged to continue correspondence (regardless of being declared vexatious or not). In the last 5 years only two individuals have been declared vexatious however many others have simply been informed that we will keep all their correspondence on record but will no longer respond to them as we have been through our complaints process. This is a much more proportionate and reasonable response than invoking the vexatious complainant policy.
- 2.4 We do however need a definition of unreasonable or persistent contact from customers (often when they have been directed to the complaints process but refuse to engage with it). It is legitimate to disengage with customers who become unreasonable and overly persistent, provided we are clear about what constitutes such behaviour. It should be noted that where such behaviour is deemed to constitute a threat to staff wellbeing the cautionary person's register (maintained by the Health and Safety Officer) captures any details. This register is shared with all relevant staff and reviewed every year and provides stronger safeguards for staff than the vexatious complainant policy.
- 2.5 A new, shorter, "Unreasonable and Persistent Behaviour" policy has been drafted and it is recommended this replaces the vexatious complainant policy (see Appendix A). This policy is much more flexible and outlines a proportionate set of

actions and interventions that can be taken before we consider stopping all contact with a customer.

- 2.6 This draft policy was discussed at Overview and Scrutiny Committee on 3<sup>rd</sup> November and Committee Members agreed to recommend it to Full Council for approval.

**Community Safety**

No

**Data Protection**

Yes – use of information

**Equalities**

EQIA undertaken on new policy

**Environmental Sustainability**

No

**Financial**

No

**Health and Safety**

No

**Human Resources**

No

**Human Rights**

No

**Legal**

Yes – new policy drafted in conjunction with data protection colleagues. In addition the vexatious complainant policy is part of the overall policy framework outlined in the Council's constitution and therefore can only be approved by Council.

## **Specific Wards**

No

## **7.0 Background papers, appendices and other relevant material**

7.1 Appendix A – Unreasonable and Persistent Behaviour Policy

### **Contact Member**

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### EAST HERTS COUNCIL

#### **POLICY FOR DEALING WITH UNREASONABLE CUSTOMER CONTACT**

The following types of behaviour could fall under the definition of unreasonable:

- Use of hostile, abusive or offensive language causing distress to staff (in person, over the phone or face to face)
- An unreasonable fixation on an individual member of staff
- Refusing to specify the grounds of a complaint, despite offers of assistance
- Changing the basis of the complaint/request/ FOI as the matter proceeds
- Denying or changing statements made at an earlier stage
- Covertly recording meetings and conversations
- Submitting falsified documents from themselves or others
- Making excessive demands on the time and resources of staff with lengthy phone calls, emails to numerous council staff, FOI requests or detailed letters every few days, and expecting immediate responses
- Refusing to accept a decision; refusing to accept that an adequate response has been given
- Persistently approaching the council through different routes about the same issue
- Persistently seeking an outcome which the council has already explained is unrealistic for policy, legal or other valid reasons
- Refusing to co-operate with the complaints investigation process.
- Raising numerous, detailed but unimportant questions; insisting they are all answered
- Adopting a 'scatter gun' approach: pursuing parallel complaints on the same issue with a variety of organisations
- Repeatedly arguing points with no new evidence

In the case of unreasonable customer contact the Council may wish to consider taking action. This will be appropriate and proportionate to the nature and frequency of the customer's contacts with the Council. If the unreasonable contact adversely affects the Council's ability to do its work, is disproportionately resource intensive and/or adversely affects the Council's ability to provide a service to another one of more of the following may be considered:

- If the Council's complaint process has been followed but, we may end all communication with the complainant on the issue and advise them of their rights to refer the matter to the Ombudsman.

- Limiting the number of telephone calls/personal contacts that will be taken from the person in a given time period, or only on specified days.
- Limiting the time spent on telephone calls/personal contacts with that person.
- Declining any contact (in person, by telephone email, letter, or any combination of those) with the person except through a single point of contact (which could be a designated person or team).
- Restricting access to Council premises
- Informing the complainant in writing that the Council will not respond to any further contact with regard to a specific issue. The complainant will be informed that any correspondence will be read and placed on file by a designated officer but no reply or acknowledgement will be given
- Placing the person's details on the Cautionary Person's Database (this will only be the case if the complainant is considered to be a threat to the wellbeing of any staff member)

The staff member who has been in contact with the complainant is best placed to judge at what point behaviour becomes unreasonable. They will consult with the Head of Communications, Strategy and Policy before a response is agreed. In doing so both the member of staff and Head of Communications, Strategy and Policy will be mindful of:

- Ensuring that, where relevant, the complaints procedure or FOI procedure has been implemented as far as reasonably possible. Even with the most unreasonable complainants, there may be some substance to a part of their complaint which will still need to be addressed. It is important that the Council learns from complaints and uses any findings to improve services.
- The personal circumstances of the customer and whether any reasonable adjustments should be considered or whether any organisations/support agencies e.g. Citizens Advice Bureau, MIND, advocacy service etc. can provide advice and assistance to the customer complainant in accessing services/pursuing their complaint in a reasonable manner.

Any decision to designate a customer as unreasonable should be recorded in writing setting out what information has been considered and the reasons for making the decision. This record is important so that the Council can evidence that it has acted in a fair and proportionate way if this later scrutinised e.g. by the Ombudsman.

This record will be kept within the Customer Services Team and owned by the Head of Communications, Strategy and Policy.

December 2020